Future Directions for
St. Tammany Parish, Louisiana
(Final Draft)

A Strategic Plan for Economic Development

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By:
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Strategic Planning • Technology Assessments • Organizational Design • Site Selection
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**Strengths**

Worker Productivity & Labor Relations
Manufacturing Labor Supply
Quality of Life
Access to Global and Gulf Coast Markets
Quality of Schools
Corporate and Back Office Labor Supply
Entrepreneurial Climate
Interstate Highway Access
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I. Executive Summary

The purpose of this strategic plan is to set forth the strategic goals and strategies for the economic development of St. Tammany Parish. This is not a comprehensive plan for the Parish but merely a single element within a comprehensive planning process. This strategy is designed to address the specific needs and concerns of the leadership of the Parish with respect to increasing the quality and quantity of jobs, and improving the quality of life and the business environment. The intended result from this strategic planning effort is a more inclusive strategy to move the community forward to become a better place in which to live, work, and play. The plan will help facilitate a road map for the Parish’s economic development effort, telling us where we are, where we want to go, and how to get there.

As St. Tammany Parish evaluates its economic situation and looks at potential employers to attract, it is important to first study the past and present state of the economy. The future is always built on the past.

Economic Development in a Changing World

For decades, southern communities grew a manufacturing economy by selling low labor costs to headquarters in the Midwest and East. Economic development strategies that copy past successes have grown less effective because of structural changes in the global economy, however. Opportunities to copy the past have vanished as companies now locate low cost labor facilities in Asia or Latin America. To succeed, the St. Tammany strategy must anticipate structural changes occurring within a “new” economy over the next decade. Taimerica catalogued seven of the most significant trends in the March workshop, which are summarized here:

Global Economy  St. Tammany is part of a borderless economy which functions with a constant flow of currency, information, and technology. Location activity in North America now consists of offshore corporations building domestic capacity to serve U.S. markets while U.S. multinationals are building offshore capacity in emerging markets.

E-Manufacturing  The integration of the internet into corporate activity has transformed manufacturing. The flexibility and speed of the Internet platform allows for flexible manufacturing, mass customization, outsourcing, strategic alliances, and supply chain management techniques built on better corporate and marketing information.

Faster Product Cycles  The speed and flexibility enabled by the Internet has produced shorter product cycles that affect location decisions. Communities need faster response times to location proposals and must have trained workers, zoning, and facilities available waiting to respond to corporate requests.
Knowledge-Based Economy  The global economy is becoming digital and interconnected via the Internet. Since the U.S. leads the world in information technology, many of the best opportunities for community diversification are in the I.T. sector. Telecommunications infrastructure and trained software workers are emerging as critical location factors.

Services  The preponderance of new jobs in the U.S. (94%) over the next decade will occur in services, not in manufacturing. Jobs in computers, personnel, management consulting, health, and professional services will predominate. Many of these jobs offer high wages. Consequently, quality of life factors become more influential in location decisions.

Small Business Dominance  Most new jobs in the decade will be created by small businesses, but only by a small percentage of small firms termed “gazelles”. Enabling these firms to emerge and grow in St. Tammany Parish is an important component in the economic development strategy.

Retooled Workforce  The New Economy has restructured the corporate workforce. Companies have an increased demand for technical and professional skills, such as engineering and computer programming. Companies seek locations with pools of college-trained workers that also offer continuing education opportunities. The ability to recruit and retain technicians and professionals has grown in importance as a location factor.

Quality of Life  A community’s quality of life is now critical in corporate locations. Among the factors that are important are the availability of quality housing at reasonable costs, a sound public education system that produces graduates with strong basic skills, colleges and university to produce technical workers, low crime rates, good medical and retail services and a broad range of cultural and recreational opportunities, supported by a transportation system that allows good traffic flow without congestion.

The Parish Economy in 2003

St. Tammany Parish has experienced rapid population growth over the last decade. Its growth rate ranks it in the top ten percent of all counties and parishes nationwide. St. Tammany is better positioned than most communities in Louisiana to capitalize on the emerging trends discussed in the previous section.

Jobs and earning from local companies has grown significantly in the last decade. The largest generators of new jobs in the 1990’s in St. Tammany Parish, paralleling national trends, were services and retail. Payroll growth in five of the major employment sectors is far in excess of national growth rates, while three grew slower than national norms. Services, retail trade, financial & insurance, construction, manufacturing, and agricultural services grew relative to the national economy while business services, transportation & utilities, and mining grew slower than national norms. In the area of business services (the statistical category that includes computer programming and
Strategic Plan for Economic Development in St. Tammany Parish

information technology) St. Tammany Parish had much slower growth than its national counterparts.

The following statements reflect other findings that are important in formulating an economic development strategy. St. Tammany Parish has:

- a greater percentage of college educated residents than the region and the U.S., and a lower percentage of high school dropouts than either the region or the nation;
- 50 percent of local income from workers commuting out of the Parish, a significantly higher ratio than in most suburban communities;
- 20 percent higher per capita income than Louisiana, yet average annual wages are well below the State, New Orleans metro area, and U.S.;
- a significantly higher employment growth rate than the Region and State over the last decade, and this rate is much higher than the population growth rate;
- unemployment rates well below Louisiana since 1990, and some of the lowest in the State;
- manufacturing employment growth over the last decade, while it declined nationally and grew only slightly in Louisiana;
- business services growth (software and data processing) that substantially lags the national average over the last decade;
- retail sales that are a fraction of those in more industrialized parishes;
- a good entrepreneurial climate with a higher proportion of gazelle firms than either the nation or the region and with more employment in young businesses than other Louisiana metro areas;
- a level of information technology workers below the national average; however, the volume of information technology employment within the Parish would double if the Parish attains the same concentration of that industry as either Lafayette or Baton Rouge; and
- a high patent rate in mining technologies, (primarily oil and gas equipment) which is the strongest technology strength of the parish. Other concentrations are in the areas of inorganic chemistry and entertainment/fashion technologies.
Strengths and Weaknesses for Economic Development

The starting point for a credible strategic planning process is an assessment of the strengths and weaknesses of the community as they relate to future opportunities for development. In other words, what problems exist in the Parish that constitute barriers for successfully achieving the vision of its leadership? Taimerica conducted an assessment of the community from a corporate site selector’s perspective. The objectives of this assessment were to:

- Identify key strengths to emphasize in economic development marketing efforts;
- Identify key weaknesses that may limit corporate investment in St. Tammany Parish so that remediation of these local problems can occur; and,
- Build the foundation for the identification of appropriate target industry sectors for economic development marketing.

Information sources for this assessment included local employers (manufacturing firms and offices), selected local government officials, utilities, real estate brokers, education representatives, etc. Taimerica also gathered information, and reviewed previous studies and available local data. The following is a summary of what the consultants believe to be the major strengths (assets) and weaknesses (liabilities and limitations) from an economic development perspective.

**Strengths:**
- Worker productivity & labor relations
- Manufacturing labor supply
- Quality of life
- Access to global and Gulf Coast markets
- Quality of schools
- Corporate office and back office labor supply
- Entrepreneurial climate
- Interstate highway access
- Cost of office & warehouse leases

**Neutrals:**
- Business/government cooperation
- Construction costs
- Office wages
- Manufacturing wages
- Electrical rates
- National market access
- Telecommunications Infrastructure

**Weaknesses:**
- Business park supply and prices
- Supply of warehouse, flex, and office space
- Tax rates
Strategic Plan for Economic Development in St. Tammany Parish

- Water and wastewater rates and capacity
- Traffic congestion
- Affordable housing
- Zoning and permitting
- Conference & meeting facilities
- Support for economic development programs

Local Perception of the Problems of St. Tammany Parish

Part of the answer to the question of what the Parish will become in the future lies in how the local leadership of the community and the citizens perceive the situation today. The allocation of scarce resources to the problems of the community is determined primarily by the priorities of this leadership and their constituents, which means that the level of attention given to problems is a function of the viewpoint of the residents of the Parish.

Determining the local perception within the community involved two separate activities. The first activity consisted of a survey that was conducted of the leadership to ascertain their perception of the strengths and weaknesses of St. Tammany Parish. The tabulated results of this survey are as follows:

**STRENGTHS**

(3= strong, 2= neutral, 1 = weakness)

<table>
<thead>
<tr>
<th>Rank</th>
<th>Perceived strengths by local leaders</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Crime level</td>
<td>2.8</td>
</tr>
<tr>
<td>2.</td>
<td>Executive level housing</td>
<td>2.7</td>
</tr>
<tr>
<td>3.</td>
<td>Elementary school quality</td>
<td>2.7</td>
</tr>
<tr>
<td>4.</td>
<td>Access to southern market</td>
<td>2.7</td>
</tr>
<tr>
<td>5.</td>
<td>Quality of secondary education</td>
<td>2.6</td>
</tr>
<tr>
<td>6.</td>
<td>Air quality</td>
<td>2.6</td>
</tr>
<tr>
<td>7.</td>
<td>Quality of restaurants</td>
<td>2.6</td>
</tr>
<tr>
<td>8.</td>
<td>Adequate police protection</td>
<td>2.5</td>
</tr>
<tr>
<td>9.</td>
<td>Proximity to other in-state markets</td>
<td>2.5</td>
</tr>
<tr>
<td>10.</td>
<td>Adequate fire protection</td>
<td>2.5</td>
</tr>
<tr>
<td>11.</td>
<td>Attractiveness of physical environment</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Note: #1 is the highest ranking; #11 is the lowest ranking in this series.
**WEAKNESSES**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Perceived strengths by local leaders</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>110</td>
<td>Available public transportation</td>
<td>1.1</td>
</tr>
<tr>
<td>109</td>
<td>Traffic movement in St. Tammany</td>
<td>1.2</td>
</tr>
<tr>
<td>108</td>
<td>Adequate air freight service</td>
<td>1.2</td>
</tr>
<tr>
<td>107</td>
<td>Traffic carrying capacity of streets</td>
<td>1.3</td>
</tr>
<tr>
<td>106</td>
<td>Adequate commercial air service</td>
<td>1.3</td>
</tr>
<tr>
<td>105</td>
<td>Available apprenticeship training</td>
<td>1.3</td>
</tr>
<tr>
<td>104</td>
<td>Industrial marketing programs</td>
<td>1.4</td>
</tr>
<tr>
<td>103</td>
<td>Available quality jobs</td>
<td>1.4</td>
</tr>
<tr>
<td>102</td>
<td>Fully served industrial sites</td>
<td>1.4</td>
</tr>
<tr>
<td>101</td>
<td>Availability of post secondary vo-tech training</td>
<td>1.4</td>
</tr>
<tr>
<td>100</td>
<td>Available intermodal shipping</td>
<td>1.4</td>
</tr>
<tr>
<td>99</td>
<td>Available venture capital</td>
<td>1.4</td>
</tr>
</tbody>
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**Target Industry Recommendations**

A significant share of future jobs in the Parish will stem from growth of existing businesses or from the creation of new businesses by local entrepreneurs. National forecasts suggest that the Parish continues to have strong growth opportunities in its medical and publishing & communications clusters. Future growth prospects in regional retailing and subdivision and construction are strong, provided that regional population and sub urbanization in this decade mirror trends in the 1990's.

**Headquarters Locations**

While St. Tammany has excellent talent for corporate headquarters, the market is shrinking. The lack of an airport hub near St. Tammany weakens the possibility of attracting national headquarters. The Parish has recently witnessed the relocation of three significant corporate headquarters from Jefferson Parish. Headquarters for companies that have the majority of their operations within the Gulf South, such as these recent relocations, are the best headquarters targets for the parish. The competitors for these offices are Mobile, Houston, Baton Rouge, and Jackson. The Gulf South has added about 30 offices per year with 100+ employees over the last half decade. In addition to corporate headquarters, the Parish should pursue office functions of the Department of Homeland Security, which result from the largest reorganization of the federal government in the last 30 years.

**Technology Companies**

Although technology companies accounted for just 8 percent of the nation’s workforce in 1990, they created two-thirds of the nation’s jobs during the decade. Technology companies, based on commercializing science, are a key component of a modern targeting strategy. The first step in a technology assessment is to list the technology magnets in a region. The Parish, like the metro area, has no large corporate R&D
Strategic Plan for Economic Development in St. Tammany Parish

centers. Academic centers and government labs are the largest science-based establishments in the region. Two of these are of particular interest to St. Tammany Parish. The USDA’s Southern Lab in New Orleans, one of only four USDA labs nationwide, is a potential source of talent and ideas for commercial companies. The largest R&D operation between Huntsville and Houston is the Stennis Space Center. Stennis has an annual budget that dwarfs the combined totals of Louisiana’s major research universities. Stennis also is just one of four areas in the United States (the others are Boulder-Colorado Springs, Huntsville, and Washington, D.C.) with a concentration of remote sensing and geographic information systems activities.

To sustain a technology cluster, a community must have the ability to build a concentration of activities related to the technology. It is better to build on an existing technology than to start from scratch with a novel one. Here are Taimerica’s recommendations based on our assessment:

- Oceanography Related Activities
- Oil and Gas Technologies
- Geographic Information Systems and Remote Sensing
- Homeland Security

The new Department of Homeland Security represents the largest new federal R&D effort since the initiation of the space program. The department will need assistance from private contractors in information technology, as well as in technologies related to the detection, prevention, and protection against terrorist attacks from chemical, biological, radiological, and nuclear weapons. St. Tammany Parish is an excellent site for the launch of private facilities and government labs needed for the technology mission of Homeland Security. One of the Parish’s major employers, Tulane National Primate Center, is expanding its employment to meet the demand for animal testing by research consortia engaged in homeland defense countermeasures.

Retirement Communities

A graying and increasingly affluent population in the United States offers many opportunities for economic growth. A cadre of specialized developers, such as Del Webb Corporation and Watermark Communities, specialize in building communities that appeal to this housing niche. Much, if not the majority, of retirees that relocate to a new home are attracted to the adult retirement concept. This target offers an opportunity to attract relatively affluent consumers to St. Tammany Parish. Of the twelve factors which national developers use to evaluate potential sites, St. Tammany Parish scores highly on eleven of the 12 factors. This niche presents an excellent opportunity for job creation in the Parish.

Diversification Targets

Many of the best opportunities for economic diversification result from national or global growth. Taimerica used its target industry model to identify growth industries that match the locational assets of the Parish. From a universe of 800 industries, we
identified the following three manufacturing and seven office sectors as offering the best opportunities for St. Tammany Parish over the next decade.

SIC 2434 Wood kitchen cabinets
SIC 3448 Fabricated Metal Buildings
SIC 3842 Surgical Appliances and Supplies
SIC 4812 & 4813 Communications
SIC 7371-79 Information Technology
SIC 7389 Misc. Business Services
SIC 8099 Misc. Medical Services
SIC 8741 Misc. Management Services
SIC 8742-48 Business Consulting

Back offices consist of administrative units removed from corporate headquarters. The functional offices within this target may consist of any of the following:

- Data processing
- Claims processing
- Subscription processing
- Call centers
  - Technology support
  - Customer service
  - Reservations
  - Catalog fulfillment

Forecasts suggest that the opportunity to attract office operations will continue in the future. The back office sector has generated around 700 new facilities per year over the last half decade. Louisiana has had great success recently with the back office sector as Baton Rouge and New Orleans each have attracted numerous large announcements over the last 5 years in this industry.

**Land Recommendations for Growth**

To plan for its future, St. Tammany Parish needs to secure additional land NOW for business development. The best land for this type of development often gets developed for residential or retail use, removing the potential for the community to attract desirable office or factory employers. Communities that meet the market demand for business land plan far in advance to provide a competitive product at a cost that the market will support.

Business uses, except for retailing, cannot command the prices for developed properties that residential users pay. Most new business parks and commercial activities are therefore located on the periphery of urbanized areas with convenient highway access.
for a regional labor force that commutes by auto. Access to an interstate interchange (within 1 mile) or location on a four-lane highway is prerequisites to this type of development.

The New Orleans region has few developed business parks. Elmwood, the oldest and largest in the region, is full. Northshore locations have become an important component of the region’s industrial land inventory. Eighty-five percent of the new space constructed in the metro area over the last 3 years has been on the Northshore.

**Space Forecast**

The following are the forecasts of new land requirements in St. Tammany between 2000 and 2015:

<table>
<thead>
<tr>
<th>Type</th>
<th>Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial space</td>
<td>510 acres</td>
</tr>
<tr>
<td>Retail space</td>
<td>88 acres</td>
</tr>
<tr>
<td>Office space</td>
<td>300 acres</td>
</tr>
</tbody>
</table>

This forecast suggests that the business park requirement for land is about 900 acres. St. Tammany should consider two modern parks of approximately 400 to 500 acres each. Each of the parks should appeal to high-end offices as well as to light manufacturers and attractive warehouses.

Although many of the target industries welcome historic conversions, the amount of vacant space for these uses is sufficient to accommodate just a fraction of the future demand. Vacant office space in St. Tammany totals about 60,000 square feet, just a fraction of the expected demand over the next decade.

A novel means of providing space for such uses is in planned mixed-use communities that include office buildings. The proximity of residences to offices minimizes traffic congestion from daily commuting, which is a priority of St. Tammany businesses and residents. A portion of future space should be provided in planned developments with mixed retail, office and residence.

**Recommended Locations**

Taimerica investigated each of the interchange locations in St. Tammany to evaluate the best locations for future business parks. Lack of highway capacity and existing congestion within the Parish restricts major developments, such as business parks, to the I-12 and I-10 corridors. We evaluated locations based on a matrix of site factors for each interchange. Based on this analysis, two interchanges offer the best opportunities for business park development. The LA-1077 interchange and the LA-434 interchange of I-12 offer the best opportunities for business park development at moderate costs. Several planned interchanges at LA 1088 and at US Business 190 in Slidell also offer opportunities, provided DOTD completes these interchange projects in the next three years. Business 190 and Pearl River interchanges are the only ones in the parish that offer access to fiber optic trunk lines.
A matrix of intersections throughout the parish was compiled to evaluate the regional retailing potential of various locations. The strongest potential is at the LA-21 and LA 434 interchanges. The LA 22 interchange at Covington shows strong retail demand, as does the Pearl River interchange of I-10. The future interchange at Highway 1088 offers retail development potential as well. A combination of regional retailing and business park zonings should be established for the LA 434 and LA 1088 interchanges.

St. Tammany Parish’s Vision for the Future

What motivates local leadership and the citizenry to get actively involved in programs to improve their community? Generally, it is a sense of pride in the community -- a belief that conditions could and should improve through both individual and joint effort. This motivation comes from a "shared vision" of the potential of the community. Without vision, leadership tends to be ineffective and residents lack a strong sense of pride in where they live.

A vision for a community such as St. Tammany Parish is an ideal and unique image of the future. It incorporates a view of a future condition that would be better, in some important ways, than what now exists. It is, however, a dream rooted in economic and social reality. The development of a clearly articulated vision provides the concepts necessary to enable people to see the changes that must be made if their hopes and desires are to be realized. Developing a clear vision involves a belief that people can influence their community's destiny by what they do now and into the future.

The leadership of St. Tammany Parish has developed such a vision. A number of the leaders of the community were involved in a workshop on March 14, 2003 that facilitated the articulation of a vision for the future of the Parish. After a brief presentation about major national economic development trends and the value of visioning, the participants in the workshop were asked to describe their “vision” of the Parish, as it would exist in the year 2013. The visioning process used smaller groups to achieve consensus on the priority components of this vision. The following vision statement is a compilation of these consensus components:

In the year 2013, St. Tammany Parish has a healthy and diversified economy with an outstanding quality of life in both its incorporated and unincorporated areas. Civic and business leaders and local government officials across the Parish and the metro region, collaborate effectively, which has led to a strong sense of unity and local pride. Parish-wide planning and zoning, along with reasonable building codes, have reduced the inefficiency of suburban sprawl. A variety of revenue sources, including State and Federal funds, help meet the development needs of the Parish.

The Parish is very “business-friendly.” Capitalizing on Stennis and U N O , it has recruited high technology manufacturing, office operations, and professional firms
that provide high wage employment for the growing workforce in the Parish and a sustainable tax base. New business parks in St. Tammany Parish are attracting these quality employers. Small business, including home-based, flourishes locally, enhancing the Parish’s reputation as a center for entrepreneurial activity. Colleges and universities, technical training, and continuing education meet career skill needs from local campuses. College graduates continue to be attracted to the expanding professional and technical job base in the community.

The infrastructure of the Parish has kept pace with new development. A regional public transportation system provides service to New Orleans and within the Parish. New local arterials have been constructed and existing highways have been widened to modern four-lane thoroughfares, and other highways, service and local roads have been upgraded to improve traffic flow, with a particular concern for evacuation routes. The telecommunications infrastructure across the Parish meets all the technology demands of the local businesses and residents. Drainage improvements have removed most flooding problems, and a regional water and sewer system serves all of the Parish. The high quality of the natural environment is recognized throughout this region of the South.

The quality of life of St. Tammany Parish is second to none for its population size. The older sections have been revitalized, and new high quality mixed-use planned developments that are environmentally friendly continue to be constructed. Local housing, in clean and attractive neighborhoods, is available for the wide spectrum of employment in the Parish from starter homes for working class families to upscale developments for retirees. Residents feel safe and secure throughout the Parish. The primary and secondary education system is a leader in the State and produces graduates with competitive skills that meet the key needs of technology-based employers. State-of-the-art medical facilities provide the latest in medical technology and have virtually eliminated the need to travel elsewhere for medical care. A wide variety of recreational and cultural facilities and activities have established the Parish as an entertainment center for the region.

This vision statement is not written in stone. Ongoing input from the citizens and leaders of St. Tammany Parish is likely to bring about some alteration of the statement in the short term. And, as the area changes and as circumstances change, this statement needs to be reviewed and modified to reflect more current views.

It is from this vision that the goals and priorities of action should emanate for the strategic plan. The vision supplies the general sense of direction for the Parish; the goals and strategic actions provide the specifics on how to get there.
Economic Development Goals for St. Tammany Parish

But how are those changes brought about? To begin with, the preceding priority issues were converted into a series of economic development goals for St. Tammany Parish to be accomplished by the appropriate local development organizations. Although some of the goals and their consequent actions are not directly related to the creation of jobs or attraction of firms, the economic development profession has come to realize that the economic future of communities rests on the foundation of such issues as quality of life, local education, infrastructure, roads and highways, municipal services, etc. Companies will not be attracted to or expand in communities that can’t meet the basic requirements of satisfactory livability as well as a good business environment.

The leadership of St. Tammany Parish recognizes the importance of developing a strategic plan that will address key economic development issues, create an environment for successful business and industry investment, and ultimately, increase the Parish’s standard of living. The plan’s main theme is to facilitate efforts Parish-wide among private and public partners to accomplish important goals for securing the economic future of our Parish and its communities. These goals reflect the priorities identified by the leaders of the Parish in its March 2003 workshop.

**Goal #1:** The highway and street infrastructure throughout St. Tammany Parish meets the needs of the community’s residents without congestion and with ample capacity.

**Goal #2:** The economy of the Parish is diversified, consisting of a balanced mix of high technology companies, professional firms, and office operations.

**Goal #3:** The Parish has a sustainable and adequate source of funding for its infrastructure and economic development needs.

**Goal #4:** The amount of land available for new industrial and office development within the Parish meets the needs of business and industry into the future.

**Goal #5:** Development infrastructure for business, including Internet trunk fiber lines, water, sewer, and drainage meet the needs of business and industry into the future.

Other priorities from the workshop included long-range planning, zoning, drainage, and water and sewer service, all of which are being addressed in the comprehensive plan of the Parish.

Implementation

The economic development process is actually quite simple. First, we need to identify a common vision and plan throughout the Parish so all of our efforts are cohesive, consistent, and strategic. Second, we need to develop our product – the local
Strategic Plan for Economic Development in St. Tammany Parish

...communities and the Parish. Third, we need to promote our product so our community recognizes its strengths and takes pride in them, and our businesses and business prospects know what we have to offer.

It is recommended by Taimerica that the following steps be taken to facilitate the implementation of this strategic plan:

- Establish an Oversight Committee that will have the task of monitoring, revisiting, and modifying as necessary the Strategic Actions. This Committee should meet quarterly to review the reports on activity submitted to them by the economic development organizations that are tasked with implementing the plan. The Oversight Committee will form the task forces and committees needed to implement the strategy (see organization chart on following page). While the Oversight Committee should monitor activity, it should not manage the day-to-day activities of the organizations tasked with implementation. Its role is to determine whether the plan is working, and if not, why not.

- The Oversight Committee should request that the Parish, Foundation, development district, and chambers execute a Memorandum of Understanding to implement the strategic plan.

- The Oversight Committee will be charged with the responsibility to annually evaluate the progress of the implementation of the plan and make a report to the Parish, municipalities and chamber boards on their findings. The executive leadership of the organizations charged with implementing the plan will prepare their reports and evaluations and submit to the Oversight Committee for review.

- The executive leaderships of the economic development groups and the chambers will develop annual work plans that describes the specific tasks and steps that will be taken to implement the strategic plan, the amount budgeted to such purposes, and the timing involved.

### Budget and Resources to Implement the Plan

This plan contemplates a more aggressive development program for St. Tammany Parish. The staffing and budgets needed to sustain this effort must grow to accommodate the actions needed to achieve these goals. While many organizations have a role in setting policy, the day-to-day activities should be accomplished by an expanded staff at the Economic Development Foundation. This approach offers more opportunities for success than multiple staffs and executives.

The Development Foundation, as currently constituted, is under funded and short-staffed to achieve these goals. Development groups around the Southeast with similar strategies have annual budgets of $1 million or more and staffs of 7-20. The Economic Development Foundation, with 2 staff, cannot handle the marketing and property development functions required to accomplish all of the five goals in this plan. Taimerica recommends that the Oversight Committee form the Economic Development
Action Team at its first meeting. The Action Team should look at comparable organizations inside and outside Louisiana to develop an organization plan that provides adequate operating funds and staff to implement this strategy. We further recommend that the Economic Development District, which lacks a staff, contract with the Economic Development Foundation to implement the strategic actions required to achieve Goal # 4. Integrating marketing and property development within one staff provides operational efficiencies that lower the costs of achieving the goals.

It is very easy to slip back into “business as usual,” as the urgencies of daily concerns divert attention away from the longer term issues that will determine the destiny of the Parish. The evaluation of the progress of the strategic plan should be focused on accomplishing or initiating the strategic actions over the course of the first 12 months. In years two through five, the Oversight Committee should determine if these actions are bringing about the results desired by the citizenry and leadership of the community.
II. The Strategic Plan

“Build it, and they will come. Grow it, and they will stay.”

The future will not just happen if one wishes hard enough. It requires decision - now. It imposes risk - now. It requires action - now. It demands allocation of resources, and above all, human resources - now. (Peter Drucker)

Introduction

The purpose of this strategic plan is to set forth the strategic goals and strategies for the economic development of St. Tammany Parish. This is not a “comprehensive” plan for the Parish, rather an element of a comprehensive plan; it is designed to address the specific needs and concerns of the leadership of the Parish with respect to increasing the quality and diversity of jobs, and improving the quality of life and the business environment. The intended result from this strategic planning effort is a more inclusive strategy to move the community forward to become a better place in which to live, work, and play. The plan will be a road map for the Parish’s economic development effort, telling us where we are, where we want to go, and how to get there.

Situation Audit for St. Tammany Parish

The starting point for a credible strategic planning process is an assessment of the strengths and weaknesses of the community as they relate to future opportunities for development. In other words, what problems exist in the Parish that constitute barriers for successfully achieving the vision of its leadership? How well will the community respond to the likely political, social, economic, and environmental changes that the future will bring?

Local Perception of the Problems of St. Tammany Parish

Part of the answer to the question of what the Parish will become in the future lies in how the local leadership of the community and the citizens perceive the situation today. The allocation of scarce resources to the problems of the community is determined primarily by the priorities of this leadership and their constituents, which means that the level of attention given to problems is a function of the viewpoint of the residents of the Parish.
Determining the local perception within the community involved two separate activities. The first activity consisted of a survey that was conducted of the leadership to ascertain their perception of the strengths and weaknesses of St. Tammany Parish. The tabulated results of this survey are as follows:

**STRENGTHS**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Perceived strengths by local leaders</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.</td>
<td>Crime level</td>
<td>2.8</td>
</tr>
<tr>
<td>13.</td>
<td>Executive level housing</td>
<td>2.7</td>
</tr>
<tr>
<td>14.</td>
<td>Elementary school quality</td>
<td>2.7</td>
</tr>
<tr>
<td>15.</td>
<td>Access to southern market</td>
<td>2.7</td>
</tr>
<tr>
<td>16.</td>
<td>Quality of secondary education</td>
<td>2.6</td>
</tr>
<tr>
<td>17.</td>
<td>Air quality</td>
<td>2.6</td>
</tr>
<tr>
<td>18.</td>
<td>Quality of restaurants</td>
<td>2.6</td>
</tr>
<tr>
<td>19.</td>
<td>Adequate police protection</td>
<td>2.5</td>
</tr>
<tr>
<td>20.</td>
<td>Proximity to other in-state markets</td>
<td>2.5</td>
</tr>
<tr>
<td>21.</td>
<td>Adequate fire protection</td>
<td>2.5</td>
</tr>
<tr>
<td>22.</td>
<td>Attractiveness of physical environment</td>
<td>2.5</td>
</tr>
</tbody>
</table>

Note: #1 is the highest ranking; #11 is the lowest ranking in this series.

**WEAKNESSES**

<table>
<thead>
<tr>
<th>Rank</th>
<th>Perceived strengths by local leaders</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>110.</td>
<td>Available public transportation</td>
<td>1.1</td>
</tr>
<tr>
<td>109.</td>
<td>Traffic movement in St. Tammany</td>
<td>1.2</td>
</tr>
<tr>
<td>108.</td>
<td>Adequate air freight service</td>
<td>1.2</td>
</tr>
<tr>
<td>107.</td>
<td>Traffic carrying capacity of streets</td>
<td>1.3</td>
</tr>
<tr>
<td>106.</td>
<td>Adequate commercial air service</td>
<td>1.3</td>
</tr>
<tr>
<td>105.</td>
<td>Available apprenticeship training</td>
<td>1.3</td>
</tr>
<tr>
<td>104.</td>
<td>Industrial marketing programs</td>
<td>1.4</td>
</tr>
<tr>
<td>103.</td>
<td>Available quality jobs</td>
<td>1.4</td>
</tr>
<tr>
<td>102.</td>
<td>Fully served industrial sites</td>
<td>1.4</td>
</tr>
<tr>
<td>101.</td>
<td>Availability of post secondary vo-tech training</td>
<td>1.4</td>
</tr>
<tr>
<td>100.</td>
<td>Available intermodal shipping</td>
<td>1.4</td>
</tr>
<tr>
<td>99.</td>
<td>Available venture capital</td>
<td>1.4</td>
</tr>
</tbody>
</table>

**Consulting Team Assessment Of St. Tammany Parish**

The second assessment activity was focused on determining the strengths and weaknesses of the Parish based on an objective analysis of the local business climate by Taimerica. The results are the following:
Strengths:
- Worker productivity & labor relations
- Manufacturing labor supply
- Quality of life
- Access to global and Gulf Coast markets
- Quality of schools
- Corporate office and back office labor supply
- Entrepreneurial climate
- Interstate highway access
- Cost of office & warehouse leases

Neutrals:
- Business/government cooperation
- Construction costs
- Office wages
- Manufacturing wages
- Electrical rates
- National market access

Weaknesses:
- Business park supply and prices
- Supply of warehouse, flex, and office space
- Tax rates
- Water and wastewater rates and capacity
- Traffic congestion
- Affordable housing
- Zoning and permitting
- Conference & meeting facilities
- Support for economic development programs
- Supply of information technology workers

St. Tammany Parish’s Vision for the Future

What motivates local leadership and the citizenry to get actively involved in programs to improve their community? Generally, it is a sense of pride in the community -- a belief that conditions could and should improve through both individual and joint effort. This motivation comes from a "shared vision" of the potential of the community. Without vision, leadership tends to be ineffective and residents lack a strong sense of pride in where they live.

A vision for a community such as St. Tammany Parish is an ideal and unique image of the future. It incorporates a view of a future condition that would be better, in some important ways, than what now exists. It is, however, a dream rooted in economic and social reality. The development of a clearly articulated vision provides the concepts necessary to enable people to see the changes that must be made if their hopes and
The leadership of St. Tammany Parish has developed such a vision. A number of the leaders of the community were involved in a workshop on March 14, 2003 that facilitated the articulation of a vision for the future of the Parish. After a brief presentation about major national economic development trends and the value of visioning, the participants in the workshop were asked to describe their “vision” of the Parish as it would exist in the year 2013. The visioning process used smaller groups to achieve consensus on the priority components of this vision. The following vision statement is a compilation of these consensus components:

In the year 2013, St. Tammany Parish has a healthy and diversified economy with an outstanding quality of life in both its incorporated and unincorporated areas. Civic and business leaders and local government officials across the Parish and the metro region, collaborate effectively, which has led to a strong sense of unity and local pride. Parish-wide planning and zoning, along with reasonable building codes, have reduced the inefficiency of suburban sprawl. A variety of revenue sources, including State and Federal funds, help meet the development needs of the Parish.

The Parish is very “business-friendly.” Capitalizing on Stennis and UNO, it has recruited high technology manufacturing, office operations, and professional firms that provide high wage employment for the growing workforce in the Parish and a sustainable tax base. New business parks in St. Tammany Parish are attracting these quality employers. Small business, including home-based, flourishes locally, enhancing the Parish’s reputation as a center for entrepreneurial activity. Colleges and universities, technical training, and continuing education meet career skill needs from local campuses. College graduates continue to be attracted to the expanding professional and technical job base in the community.

The infrastructure of the Parish has kept pace with new development. A regional public transportation system provides service to New Orleans and within the Parish. New local arterials have been constructed and existing highways have been widened to modern four-lane thoroughfares, and other highways, service and local roads have been upgraded to improve traffic flow, with a particular concern for evacuation routes. The telecommunications infrastructure across the Parish meets all the technology demands of the local businesses and residents. Drainage improvements have removed most flooding problems, and a regional water and sewer system serves all of the Parish. The high quality of the natural environment is recognized throughout this region of the South.

The quality of life of St. Tammany Parish is second to none for its population size. The older sections have been revitalized, and new high quality mixed-use planned
developments that are environmentally friendly continue to be constructed. Local housing, in clean and attractive neighborhoods, is available for the wide spectrum of employment in the Parish from starter homes for working class families to upscale developments for retirees. Residents feel safe and secure throughout the Parish. The primary and secondary education system is a leader in the State and produces graduates with competitive skills that meet the key needs of technology-based employers. State-of-the-art medical facilities provide the latest in medical technology and have virtually eliminated the need to travel elsewhere for medical care. A wide variety of recreational and cultural facilities and activities have established the Parish as an entertainment center for the region.

This vision statement is not written in stone. Ongoing input from the citizens and leaders of St. Tammany Parish is likely to bring about some alteration of the statement in the short term. And, as the area changes and as circumstances change, this statement needs to be reviewed and modified to reflect more current views.

It is from this vision that the goals and priorities of action should emanate for the strategic plan. The vision supplies the general sense of direction for the Parish; the goals and strategic actions provide the specifics on how to get there.

**Economic Development Priorities**

The foundation of an effective strategic planning process is a clear understanding of the most important issues currently confronting the community. Economic development issues are to be thought of as problems to be solved, concerns or needs to be addressed, or opportunities to be pursued. If these issues are to be meaningful, they should be stated clearly as problems, concerns, needs, or opportunities. For example, "education" of itself is not a problem or concern; "a high percentage of high school graduates are illiterate and lack basic skills" is a problem.

In the March leadership workshop, the afternoon exercise was the identification and prioritization of key economic development issues facing the Parish. Each of the small groups identified and ranked their list of issues. These lists were then combined into one list, and the group as a whole ranked their economic development priorities. The result of this Nominal Group Technique was the following list of economic development problems in order of priority to those assembled:

1. Lack of adequate road and highway infrastructure
2. Need to diversify the economy, particularly with high technology and high wage jobs, and strengthen the tax base
3. Lack of parish funding resources hinders ability to deliver services and infrastructure needed to facilitate future growth
4. Establish permanent revenue source for local needs other than traditional tax
5. Need for long-term planning of the land use and infrastructure of the Parish
6. Need for improved drainage that is environmentally responsible
7. Lack of adequate funding for economic development program
8. Lack of attractive industrial and business parks
9. Need for improved Parish-wide water and wastewater facilities
10. Need to strengthen the collaborative efforts of local leadership
11. Need to update zoning ordinances to facilitate quality development
12. Need for improved post-secondary training and education facilities and programs

This list is not necessarily totally inclusive of all the development problems or issues facing the community. Because no organization or local government can tackle all of the local issues equally well given the limitations of funding, resources, and staffing, it is very important for the community to focus on those particular issues that are most critical to its future. The local economic development effort should target its activities on those elements that are directly related to the successful improvement of the local economy.

Where St. Tammany Parish goes from this point on depends in large measure on just how involved and how pro-active the local leaders become. The priority issues do not encompass everything that needs to be done in the Parish to make it a better place to live, work, and play. However, local leaders have decided that these are the most important problems that must be overcome if the Parish is to move forward in raising local incomes, creating more jobs, and generating more tax revenues.

This workshop was clearly just the beginning. The process must continue. The Parish is “in a race with no finish line.” Divisiveness, redundancy, and inadequate Parish-wide planning will only make the economic situation worse in St. Tammany Parish and its communities. Now it is time for key leaders to step forward and facilitate the steps necessary to bring about the needed changes.

Economic Development Goals for St. Tammany Parish

But how are those changes brought about? To begin with, the preceding priority issues were converted into a series of economic development goals for St. Tammany Parish to be accomplished by the appropriate local development organizations. Although some of the goals and their consequent actions are not directly related to the creation of jobs or attraction of firms, the economic development profession has come to realize that the economic future of communities rests on the foundation of such issues as quality of life, local education, infrastructure, roads and highways, municipal services, etc. Companies will not be attracted to or expand in communities that can’t meet the basic requirements of satisfactory livability as well as a good business environment.

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Other priorities from the workshop included long-range planning, zoning, drainage, and water and sewer service, all of which are being addressed in the comprehensive plan of the Parish.

The economic development process is actually quite simple. First, we need to identify a common vision and plan throughout the Parish so all of our efforts are cohesive, consistent, and strategic. Second, we need to develop our product – the local communities and the Parish. Third, we need to promote our product so that our community recognizes its strengths and takes pride in them, and our businesses and business prospects know what we have to offer.

“Build it, and they will come” – if we build it (the local capacities of each community), and promote it effectively, they (new investment outcomes – relocations, start ups, and expansions) will come. “Grow it, and they will stay” – if we continue to grow it (the local capacities of each community and the successes of existing businesses), they (existing businesses) will stay (successful retention and expansion).

A well-designed formal plan that guides the actions and resource allocations of local government and the various development organizations offers the following benefits to the community:

- Coordination of the activities of the organizations and agencies whose actions are inter-related.
- Setting a realistic timetable for getting things done.
- Better communication -- what are the organizations and agencies trying to achieve and why?
Identify the expected outcomes.
Preparation to meet changes when they occur.
Management, not avoidance, of risk.
Focusing of efforts — generally there are more problems and opportunities than resources available.
Basis of a control system — the ability to see when activities are deviating from the plan as well as to evaluate the results so that they meet stated goals.
Maintenance of organizational integrity — strategic plans, by clearly specifying the strategies the organization will pursue and rooting those choices in a thorough understanding of the organization’s goals, help prevent a series of ad hoc decisions that carry it farther and farther away from its true concern.

Strategic Goals and Actions

Goal 1: The highway and street infrastructure throughout St. Tammany Parish meets the needs of the community’s residents without congestion and with ample capacity.

Rationale: St. Tammany Parish has a strong local economy, but it suffers from access and traffic congestion. The most congested highways are either state or federal highways under the jurisdiction of the Louisiana Department of Transportation and Development (DOTD). Almost all of the highways under the jurisdiction of DOTD in St. Tammany Parish are operating over design capacity. In the last decade, St. Tammany has generated $250 million of gasoline sales tax but received only $3.3 million in capital projects from DOTD.

A carefully planned approach to analyzing and responding to local traffic needs is necessary if St. Tammany Parish is to achieve a desirable quality of life and business environment. The New Directions 2025 task force on transportation has crafted a strategy for addressing transportation improvements from short to long-range.

The following set of actions take into account the transportation task force recommendations, as well as the current transportation situation in St. Tammany Parish as described by the leadership itself and by the business community, and as prioritized in the leadership workshop conducted in March 2003. These actions are designed to effectively address the most recognized transportation problems in the incorporated and unincorporated areas of the Parish. Failure to aggressively act to institute change will only lead to a worsening of the local traffic problems.
Strategic Action 1: A “Transportation Action Team” of local elected officials, the St. Tammany Economic Development Foundation, the joint transportation committee of the Slidell & West St. Tammany Chambers, other chambers in the parish, the St. Tammany Homebuilders Association and volunteers should be established to guide the Parish in planning and implementing roadway improvements and in lobbying the legislature, federal delegation and DOTD for transportation improvements.

Strategic Action 2: Guidelines for the advancement of transportation improvements developed under of the Long-Range Comprehensive Plan should be implemented by the parish and municipalities, namely:
- Designate and implement the recommended master transportation corridors;
- Implement the collector road concept;
- Implement the new roads projects;
- Implement the fast improvement techniques;
- Implement transit, park & ride, and bicycle recommendations.

Strategic Action 3: The Transportation Action Team should meet with the governor and the legislative delegation to accelerate improvements that are critical to the implementation of this economic development strategy, including:
- Accelerating the timetable for completion of new interchanges at LA 1088 and at Business 190 in Slidell;
- Development of access roads along the I-12 corridor;

Strategic Action 4: The Transportation Action Team should work with Louisiana’s congressional delegation to marshal support for federal inclusion of key transportation improvements in the TEA-21 successor bill.

Strategic Action 5: The Chambers of Commerce in St. Tammany Parish should invite candidates for governor to St. Tammany Parish for candidate forums. Because the governor appoints the Secretary of the Department of Transportation and Development, he has the ability to influence the priority and timing of new construction. The chambers should make funding for transportation improvements and the reorganization of DOTD key elements in discussions with gubernatorial candidates.

Strategic Action 6: The Parish Planning and Zoning Department and municipalities will integrate the following transportation-related concerns into their comprehensive plans:
- Bicycle lanes and walking paths/sidewalks would facilitate pedestrian and bicycle traffic within the subdivisions.
Highway design should accommodate relatively long-distance trips rather than incidental trips. The number of intersections and entrances to highways should be limited to avoid the traffic-flow disruptions of turns onto or off of the road (access management).

Affordable housing for production workers should be available in close proximity to major employment centers in the incorporated and unincorporated areas of the Parish.

Standards are developed that require multiple points of egress and ingress in residential subdivisions.

Strategic Action 7: The St. Tammany Parish Planning and Zoning Department and municipal planning departments will use planned unit development (PUD) and flexible zoning to ensure that subdivisions reduce need to use the automobile for access to local retail centers and recreation activities.

Strategic Action 8: The Transportation Action Team will evaluate projects within Sales Tax District #3 for their impact on economic development and tax generation. The Action Team will evaluate the feasibility of reprioritizing the $25 million of annual revenues collected by the district for projects that promote economic development and that generate new parish taxes. A list of economic development priority projects will be developed for inclusion in the renewal of Sales Tax District #3.

Strategic Action 9: The Transportation Action Team will evaluate the feasibility of rail commuter and public transit within St. Tammany Parish and connecting the Parish to the South Shore of Lake Pontchartrain.

Strategic Action 10: The Transportation Action Team will evaluate the financial and political feasibility of dedicated taxes that finance priority development infrastructure in St. Tammany Parish.

Outcome: By 2013, all of the major transportation arteries in St. Tammany Parish, whether parish, municipal or state controlled, will have a Level of Service of A or B. The Parish has two new interstate interchanges in operation in Slidell and at LA 1088. Alternate east-west and north-south arterials are in place and are reducing congestion on Gause Blvd, US 190, and Harrison Avenue in Covington.

1 Transportation Planning Handbook, ITE 1999, p. 208
Goal 2: The economy of the Parish is diversified, consisting of a growing proportion of high technology companies, professional firms, and office operations.

Rationale: Diversification of the economy into office employers and new technology-based industries is an important strategy for the community. Success with most of the target industries identified in this plan will stem from a combination of recruitment and local entrepreneurship. While marketing is important, developing local entrepreneurial activity and expanding the existing industry base is as critical to the economic health of the region. Strategic actions to implement Goal #2 are grouped into one of five categories.

Strategic Action 1: An Economic Development Action Team (referred to as the EDA Team) with representation for the Chambers, the Parish, municipalities in the parish, the Economic Development Foundation and the Economic Development District will examine public funding sources such as the dedicated property tax in Lafayette and the dedicated occupational license tax in Jefferson Parish, and state appropriations to Orleans Parish, as a means of developing ample resources to market, recruit, and promote the community in national and international markets. The Action Team will look at model organizations in Louisiana (e.g., LEDA in Lafayette and JEDCO in Jefferson Parish) in its evaluation of the best organizational structure for St. Tammany Parish. The Action Team will develop a report of its findings and distribute the report to all Parish and municipal councils throughout St. Tammany Parish.

Existing Industry Actions

Strategic Action 2A: The EDF will develop a list of companies operating within St. Tammany Parish that belong to one of the existing industry clusters.

Strategic Action 2B: The EDF will organize a series of annual calls on each of the top 50 employers within the existing clusters. The calls will be performed by staff of the chambers and EDC and by trained volunteers using a standard interview. Purpose of the calls is to take a proactive approach to uncovering problems that preclude the expansion of these core businesses.

Strategic Action 2C: The EDF will meet with Parish and Municipal officials to design a rapid response system for dealing with permitting and site and infrastructure obstacles encountered during interviews. The
system must have a dedicated point of contact and a timeline and reporting procedure for dealing with significant issues.

**Strategic Action 2D:** The EDF will train volunteers for interviews and to monitor the industry call program. The EDF will design a reporting system that summarizes calls made quarterly to existing industries. This system will help identify trends and concentrations of development issues by geography as well as by cluster. The Parish Council and each municipality will receive the quarterly reports.

**Strategic Action 2E:** The EDF will meet quarterly to review the report and to monitor progress towards eliminating development obstacles for existing businesses in St. Tammany Parish.

**Technology and Entrepreneurship**

**Strategic Action 3A:** The Economic Development Foundation (EDF) will form a task force from the universities, Stennis Center, and local businesses to develop a detailed strategy for creating technology businesses in St. Tammany Parish based on regional technology specializations such as software, GIS, remote sensing, and oceanography.

**Strategic Action 3B:** EDF will develop a list of technology-based businesses operating within St. Tammany Parish.

**Strategic Action 3C:** The task force will survey businesses within the technology sector to determine their needs for market assistance, venture capital, scientific board contacts, and technology transfer networking.

**Strategic Action 3D:** The task force will hold focus groups with regional technology companies in the target technologies to see whether a research consortium based on a technology road map is a viable option for building a comparative advantage for regional companies.

**Strategic Action 3E:** The task force will meet with venture capitalists to determine whether a dedicated fund can be capitalized that targets emerging business opportunities within the target sectors.

**Strategic Action 3F:** The task force will monitor progress within the Parish to provide high capacity Internet access to West and North St. Tammany Parish. The task force will monitor the complete technology

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2 The technology roadmap is the tool used by SEMATECH to develop a consensus on industry collaboration in semiconductors. The roadmap is the tool that participants credit with the international resurgence of the U.S. semiconductor industry (See National Research Council Government Industry Partnerships for the Development of New Technologies)
Strategic Plan for Economic Development in St. Tammany Parish

infrastructure within St. Tammany Parish to advise the Steering Committee on needed improvements in services and infrastructure.

**Strategic Action 3G:** The task force will examine innovative real estate options for technology entrepreneurship, such as technology incubators and dedicated office suites with specialized equipment and services.

**Strategic Action 3H:** The task force will enlist the help of non-profit incubator and accelerator operators, such as the Services Cooperative Association of Houston ([www.servicesca.org](http://www.servicesca.org)), to examine the financial viability of providing a dedicated incubator and accelerator program.

**Strategic Action 3I:** The task force will look at programs within Louisiana that assist technology companies to identify opportunities to access Small Business Innovation Research (SBIR) grants. The task force will determine whether gaps in marketing and technical assistance in grant preparation are adequate to meet the needs of companies in St. Tammany Parish.

**Strategic Action 3J:** The task force will plan annual or semi-annual conferences to present new technology opportunities to St. Tammany Parish businesses. These conferences should be networked with the chambers of commerce, universities, and the technology transfer program at Stennis. The purpose of these conferences is to make entrepreneurs aware of emerging opportunities within the target technologies, as well as within the R&D mission of the U.S. Department of Homeland Security and the Naval Oceanographic Command.

**Strategic Action 3K:** The task force will work with area universities to secure commitments to teach technology-related courses in science, engineering, and information technology at locations within St. Tammany Parish.

**Active Adult Retirement**

**Strategic Action 4A:** The EDF will collaborate with the St. Tammany Parish Tourism Commission (The Retirement Team) to create a strategy and work plan for attracting the active adult retirement segment of the population to St. Tammany Parish.

**Strategic Action 4B:** The Retirement Team will examine best practices in retirement community development to determine where amenity-rich communities can be developed in St. Tammany Parish that appeal to the upscale end of this market.
Strategic Plan for Economic Development in St. Tammany Parish

Strategic Action 4C: The Retirement Team will examine best practices in marketing and promotion to retirees. The task force will examine statewide efforts in Mississippi as well as local programs in Harrison County, MS and in Hattiesburg, MS.

Strategic Action 4D: The Retirement Team will develop a profile of the best source markets for retirees. As the best markets are those from which tourists are currently drawn, this effort should be done in conjunction with market research efforts of the St. Tammany Parish Tourist Commission.

Strategic Action 4E: The Retirement Team will develop a strategy, work plan, and budget for attracting active adult retirees to St. Tammany Parish.

Strategic Action 4F: The Retirement Team will visit prominent retirement community developers, such as Del Webb and Watermark Communities, to solicit their interest in developing active retirement projects in St. Tammany Parish.

Marketing and Promotion

Strategic Action 5A: The EDF will develop a sites and buildings database that keeps a current inventory of vacant buildings and prepared business park sites within St. Tammany Parish. A formal procedure should be developed to track changes monthly in the inventory. The database should be designed to maintain a roster of properties that have been filled, as well as those that are vacant. This database should be linked electronically to databases maintained by DED and economic development allies within Louisiana.

Strategic Action 5B: The EDF will identify specific high-growth and high-potential manufacturing, service, telecommunications, and back office/ call center industries. (completed)

Strategic Action 5C: The EDF will identify growth firms in these sectors, considering firms as small as 20 employees (250 or more for back office/ call centers.) Consider using Dun's MarketPlace as a source of lists.

Strategic Action 5D: The EDF will develop and use a new promotional theme and logo for the marketing campaign. These should highlight the unique assets of the Parish for business and industry, and should be used consistently throughout the promotional materials, letters, web site, business cards, etc.

Strategic Action 5E: The EDF will develop marketing materials and a web site to use for direct mail campaigns, trade shows, and personal visits, that
will feature the advantages of operating in St. Tammany Parish, as well as target the industries as outlined in this strategic plan.

a. Create target industry fact sheets featuring data & information about the industry to convey why St. Tammany Parish is an advantage for a business operation.

b. Develop a general-purpose brochure including demographics, photos of buildings & sites, demographics, transportation access, and other assets of the parish.

c. Develop marketing flyers with available buildings & sites.

d. Revise the current web site to reflect the new strategic agenda of the Parish. Create an economic development-focused site to facilitate the access of relevant information on an as-needed basis by outside prospects as well as internal customers (new demographics meeting the IEDC Data Guidelines for “making the short list”, news, maps, local & state incentives, ‘contact us’, building and sites, small business development with links to state and parish offices, business resource links, links to regional allies, strategic action plan, etc.) Keep the site updated with news & information, progressive to goals, on-line forms, etc. so visitors will want or need to return.

Strategic Action 5F: The EDF will conduct a series of at least three mailings annually to corporate decision makers and site consultants, utilizing the new marketing materials. Mail no more than 100 letters at a time to enable staff to conduct appropriate and timely follow-up.

Strategic Action 5G: The EDF Team will, based on responses and on the geographic concentrations of the growth firms in the target industries, schedule a series of prospect development missions. A particular emphasis of these trips should be to the major metropolitan areas of the Midwest for manufacturing and service; and New York, New Jersey, Chicago, Omaha, Atlanta for back office/call center and telecommunications. These missions can be coordinated with industry activities such as regional trade shows.

Strategic Action 5H: The EDF will attend appropriate trade shows in selected target industries to learn more about the marketing opportunities to that industry and to develop prospect leads. Focus on setting up meetings with prospects at the trade show prior to attending rather than trying to "collar" people at the show. Continue to work with the state economic development agency, CLECO, and Entergy Louisiana as appropriate. Develop a plan to follow-up with contacts made.
Strategic Action 5I: The EDF will take a systematic approach to networking with such agencies as: the state economic development agency, Entergy Louisiana, Chamber of Commerce, real estate brokers, site location consultants, and others as appropriate.

Strategic Action 5J: The EDF will form an Industry Intelligence Committee to meet with local manufacturing and service firms, Stennis officials, and UNO officials on a regular basis to assist in identifying suppliers, vendors, customers, and colleagues that could potentially locate a facility in the Parish. This network will provide data & information that will enhance the opportunities for reaching targets that have potential for the Parish and region.

Strategic Action 5K: The EDF, in conjunction with the St. Tammany Parish Tourism Commission, will encourage and support "high profile" local festivals or events to attract business visitors and attention to the Parish.

Strategic Action 5L: The EDF will organize a media task force to develop stories and to gain national and regional press coverage about the region. The media task force can host business writers on familiarization ("FAM") trips to the area to write feature stories about flagship businesses in the region.

Strategic Action 5M: The EDF will prepare and maintain information for the appropriate media and for prospects identifying new and expanded businesses and industry moving into the area, and other news about the economic development efforts in the Parish.

Strategic Action 5N: The EDF will set up speaking engagements at local meetings of various civic organizations to educate people about the nature of the local economic development and marketing program and its progress and results.

Strategic Action 5O: The EDF will publish a quarterly newsletter reporting on local economic development activity, and prepare monthly reports of economic indicators for public release. Send to selected prospects, local firms, local community leaders, and state & other economic development allies. This should also be posted on the web site.

Strategic Action 5P: The EDF will conduct a site visit of the Parish for economic development officials in the state (cluster directors and marketing staff) and utility professionals in order to educate them on what St. Tammany Parish has to offer.
Strategic Plan for Economic Development in St. Tammany Parish

**Strategic Action 5Q:** The EDF will identify key community leaders that will participate in a prospect site visit and educate them by conducting a mock site visit so they will be prepared when a real visit occurs.

**Outcome:** At least 35 percent of new jobs created in the parish between 2002 and 2007 are in target office and advanced technology manufacturing sectors.

**Goal 3:** The Parish has a sustainable and adequate source of funding for its infrastructure and economic development needs.

**Rationale:** St. Tammany Parish has limited resources for providing development infrastructure and for operating parish government. St. Tammany Parish must invest more funds for critical infrastructure, as well as for economic promotion and development. All of the sales tax revenues collected on behalf of the Parish are dedicated to road projects. Less than 18 percent of Parish revenues are from taxes while over eighty percent of revenues are self-generated fees, such as building permits and impact fees, that vary with the level of construction activity in the Parish.

**Strategic Action 1:** A Development Finance Task Force with representatives from the Economic Development Foundation, the Economic Development District, Parish, municipal elected officials, and the chambers will evaluate new sources of revenue for economic development promotion and infrastructure development.

**Strategic Action 2:** The Economic Development Foundation should engage an economic development fundraising firm to evaluate the feasibility of raising additional private sector funds for support of the economic development program.

**Strategic Action 3:** The Development Finance Task Force should examine federal and state grants, including dedicated state appropriations, for infrastructure improvements.

**Strategic Action 4:** The Development Finance Task Force should evaluate the economic feasibility of using Louisiana Community Development Districts to finance business park acquisition and development.

**Strategic Action 5:** The Development Finance Task Force should monitor and support the efforts of St. Tammany Parish to form a regional sewer authority.
Strategic Action 6: The Development Finance Task Force should work with Congressman Vitter and the Louisiana delegation to secure federal funds for key transportation projects in the transportation reauthorization bill in the FY 2004 session.

Strategic Action 7: The Development Finance Task Force should evaluate the economic and political feasibility of tax increment financing and special district user fees as a means of securing funding dedicated to business park and spec building development.

Strategic Action 8: The Development Finance Task Force should work with the St. Tammany delegation to develop state-funded programs for development infrastructure and facilities that are separate from the capital outlay process. Innovative states like North Carolina have determined that local governments have limited resources to support infrastructure projects that generate state tax revenue.

Strategic Action 9: The Development Finance Task Force will evaluate the viability of using local tax incentives to develop target industries. The Task Force should model the direct and indirect tax revenue generated from target businesses to evaluate the cost/benefit ratio of proposed incentives. The Task Force should draft a parish incentive policy for consideration by the Parish Council and other local taxing entities.

Outcome: By 2012, the parish and its development entities have sufficient cash reserves from land sales to support future property and infrastructure for development in St. Tammany Parish. The EDF has sufficient private and public resources to compete effectively with the best-financed development entities in the Southeast.

Goal 4: The amount of land available for new industrial and office development within the Parish meets the needs of business and industry into the future.

Rationale: The ability of a community to sustain a healthy economy into the future is dependent on the availability of land that is suitable for industrial and commercial development. In many communities across the nation, this type of land is inadvertently developed for residential or other non-employment uses, and the community finds itself with no capacity to grow their job base. It is therefore very important to take stock of the land resource for future industrial/commercial development and ensure that this land will be available into the future.
Providing an inventory of developed land requires significant financial resources. A modern business park of 200 acres can easily cost over $8 million for raw land, internal streets, drainage, highway access, and water and sewer lines (this figure does not include offsite utility extensions or wastewater treatment plants).

The following set of actions take into account the limited available industrial land in St. Tammany Parish as analyzed by the Consulting Team. These actions are designed to effectively address the current and future industrial development needs in the Parish. Failure to aggressively act to institute change will lead to an inability of future employers to find suitable locations within the Parish.

**Strategic Action 1:** The St. Tammany Economic Development District will guide the planning and development of new business parks and new industrial buildings. The District will examine the use of joint ventures with private landowners as a means of providing developed property at competitive prices.

**Strategic Action 2:** The Economic Development District will draft legislation to broaden the composition of the board to include nominees from chambers, from the municipal association, from the Economic Development Foundation, and from the Parish Council and President. The District will obtain a sponsor that introduces the bill to the legislature.

**Strategic Action 3:** The St. Tammany Economic Development District will lead in developing and adopting zoning ordinances designed to preserve and to maintain selected existing areas of the Parish that currently allow for manufacturing and office uses.

**Strategic Action 4:** Key sites should be identified by The St. Tammany Economic Development District, within both incorporated and unincorporated areas, that are suitable for development or redevelopment as manufacturing sites, and these sites should be zoned exclusively for that purpose.

**Strategic Action 5:** Parish-wide zoning, both within incorporated and unincorporated areas, should permit appropriate light assembly and high tech manufacturing uses in office areas and commercial areas.

**Strategic Action 6:** The St. Tammany Economic Development District will evaluate their capabilities to provide speculative industrial buildings, identify potential call center/back office space, and develop new business parks as a means of attracting new industrial and office development.
Strategic Plan for Economic Development in St. Tammany Parish

Strategic Action 7: The St. Tammany Economic Development District will investigate potential sources of property development loans and leases as an incentive for industrial development in the Parish.

Strategic Action 8: The St. Tammany Economic Development District will identify new property, within the interchange corridors identified in the land use element of this strategy, to be developed as business park environments for high tech operations, research and development laboratories, back offices and call centers, corporate offices, and other employers that meet the criteria for technology-oriented operations. This property should be appropriately zoned for these uses.

Strategic Action 9: The St. Tammany Economic Development District will institute policies to amortize all development costs, including impact fees levied by public and private utilities, into the sales price of business parks sites in St. Tammany Parish.

Outcome: St. Tammany Parish has a ten-year inventory of business park land, with an adequate inventory of developed property ready to occupy. Vacant buildings, both flex space and office, equal to 6 percent of Parish-wide inventory are available for sale or lease. Inventory levels never fall below a three-year demand.

Goal 5: Development infrastructure for business, including high capacity Internet fiber, water, sewer, and drainage meet the needs of business and industry into the future.

Strategic Action 1: The Economic Development Foundation will evaluate the feasibility of extending high capacity fiber trunk service along I-12 and within the eastern end of St. Tammany Parish. The ability to meet this need via interconnection of the Causeway Commission fiber optic system with the interstate carriers along I-10 in Jefferson Parish should be included in this evaluation.

Strategic Action 2: The Economic Development Foundation will meet with the consulting engineers planning the Parish-wide sewer system to insure that regional water and sewer service is planned for corridors north of the interchanges that are viable locations for business parks and retail centers.

Strategic Action 3: The Economic Development Foundation will meet with cable companies and telecommunications providers within the parish to determine what obstacles are hindering the provision of high capacity trunk line along I-12.
Strategic Plan for Economic Development in St. Tammany Parish

Strategic Action 4: The Economic Development Foundation will examine county and statewide initiatives in North and South Carolina to provide rural broadband Internet access as a business model for creating incentives to leverage private sector participation in establishing fiber trunk capacity in western St. Tammany Parish.

Strategic Action 5: The Oversight Committee will support the creation of a regional sewer authority as a mechanism for providing development infrastructure throughout St. Tammany Parish.

Outcome: By 2012, economic development infrastructure in St. Tammany Parish will be self-financed through property sales and leases. The Economic Development Foundation will have private and public resources for promotion and marketing equal to resources of the leading development groups in similar sized communities throughout the Southeastern USA.

Where Do We Go From Here?

The strategic planning process for St. Tammany Parish is not complete. It has only begun. Strategic planning is like “a race with no finish line.” As the Economic Development Foundation, the Economic Development District, and the various departments of the Parish and other organizations begin to flesh out the strategic actions and attempt to implement them, it will become clear that modifications and adjustments will be necessary. And, because strategic planning is a long-term process, some of the strategic actions will take a number of years to complete.

The ultimate success of this planning process will depend on how well the appropriate organizations manage the implementation of the various strategic actions. The plan by itself is worthless. Its value lies in the direction it provides to local agencies and organizations, and the reminders it gives as to the priorities for accomplishing and sustaining future economic health in St. Tammany Parish.

It is critical, therefore, that the steering committee set up a process whereby the plan can be and will be systematically and periodically reviewed and evaluated. If the implementation of the strategic actions is not resulting in the desired changes in the community, why not? What needs to be done differently? What is a more effective approach?

It is recommended by Taimerica that the following steps be taken to facilitate the implementation of this strategic plan:

- Establish an Oversight Committee that will have the task of monitoring, revisiting, and modifying as necessary the Strategic Actions. This Committee should meet...
quarterly to review the reports on activity submitted to them by the economic
development organizations that are tasked with implementing the plan. The
Oversight Committee will form the task forces and committees needed to implement
the strategy (see organization chart on following page). While the Oversight
Committee should monitor activity, it should not manage the day-to-day activities of
the organizations tasked with implementation. Its role is to determine whether the
plan is working, and if not, why not.

☐ The Oversight Committee should request that the Parish, Foundation, development
district, and chambers execute a Memorandum of Understanding to implement the
strategic plan.

☐ The Oversight Committee will be charged with the responsibility to annually
evaluate the progress of the implementation of the plan and make a report to the
parish, municipalities, and chamber boards on their findings. The executive
leadership of the organizations charged with implementing the plan will prepare
their reports and evaluations and submit to the Oversight Committee for review.

☐ The executive leaderships of the economic development groups and the chambers
will develop annual work plans that describe the specific tasks and steps that will be
taken to implement the strategic plan, the amount budgeted to such purposes, and
the timing involved.

**Budget and Resources to Implement the Plan**

This plan contemplates a more aggressive development program for St. Tammany
Parish. The staffing and budgets needed to sustain this effort must grow to
accommodate the actions needed to achieve these goals. While many organizations
have a role in setting policy, the day-to-day activities should be accomplished by an
expanded staff at the Economic Development Foundation. This approach offers more
opportunities for success than multiple staffs and executives.

The Development Foundation, as currently constituted, is under funded and short-
staffed to achieve these goals. Development groups around the Southeast with similar
strategies have annual budgets of $1 million or more and staffs of 7-20. The Economic
Development Foundation, with 2 staff, cannot handle the marketing and property
development functions required to accomplish all of the five goals in this plan.
Taimerica recommends that the Oversight Committee form the Economic Development
Action Team at its first meeting. The Action Team should look at comparable
organizations inside and outside Louisiana to develop an organization plan that
provides adequate operating funds and staff to implement this strategy. We further
recommend that the Economic Development District, which lacks a staff, contract with
the Economic Development Foundation to implement the strategic actions required to
achieve Goal # 4. Integrating marketing and property development within one staff
provides operational efficiencies that lower the costs of achieving the goals.
It is very easy to slip back into “business as usual,” as the urgencies of daily concerns divert attention away from the longer term issues that will determine the destiny of the Parish. The evaluation of the progress of the strategic plan should be focused on accomplishing or initiating the strategic actions over the course of the first 12 months. In years two through five, the Oversight Committee should determine if these actions are bringing about the results desired by the citizenry and leadership of the community.
III. Economic Base Analysis

St. Tammany has:

grown faster than any other parish in Louisiana, and is ranked 287th out of 3,141 counties in the U.S. in its rate of growth;

a greater percentage of college educated residents than the region and the U.S., and a lower percentage of high school dropouts than either the region or the nation;

50 percent of local income from workers commuting out of the Parish, a significantly higher ratio than in most suburban communities;

20 percent higher per capita income than Louisiana, yet average annual wages are well below the State, MSA and U.S.;

a significantly higher employment growth rate than the Region and State over the last decade, and this rate is much higher than the population growth rate;

unemployment rates well below Louisiana since 1990, and some of the lowest in the State;

manufacturing employment growth over the last decade, while it declined nationally and grew only slightly in Louisiana;

business services growth (software and data processing) that substantially lags the national average over the last decade;

retail sales that are a fraction of those in more industrialized parishes;

a good entrepreneurial climate with a higher proportion of gazelle firms than either the nation or the region and with more employment in young businesses than other Louisiana metro areas;

a level of information technology workers below the national average; however, the volume of information technology employment within the Parish would double if the Parish attains the same concentration of that industry as either Lafayette or Baton Rouge; and

a high patent rate in mining technologies, (primarily oil and gas equipment) which is the strongest technology strength of the parish. Other concentrations are in the areas of inorganic chemistry and entertainment/fashion technologies.
Introduction

Taimerica Management Company has prepared this brief economic base study to describe the current economy. Information has been obtained from local, state, federal, and private sources.

Demographic Trends

Population in St. Tammany Parish over the last decade has grown at a faster rate (32.4 percent) than both the New Orleans MSA and U.S. It ranked first in Louisiana, just above Ascension and Livingston parishes, as well as 287th out of all 3,141 counties in the U.S.

St. Tammany Parish has the same base of working age population (18-64 years) as the N.O. MSA and U.S. (See chart on right). The Parish has more school age population (0-17 years) than the N.O. MSA (28 percent vs. 27 percent) and U.S. (26 percent), reflective of the large number of families moving to the Parish because of the quality school system. The proportion of population of retirement age is below that of the U.S. and MSA (10 percent locally versus 12 percent in the U.S. and 11 percent in the MSA).

St. Tammany Parish has a larger concentration of college-educated residents than both the N.O. MSA and U.S. (33 percent versus 27 percent and 31 percent), and is one of the few parishes in Louisiana that has a larger number than the U.S. The proportion of the population with a high school diploma is well above both the national and regional averages. The overall educational level of the local workforce is one of the strengths of the Parish-wide workforce.
Income

The percentage of households in St. Tammany in the upper income brackets ($75,000 & above) is higher than in the U.S. (28 percent versus 23 percent) as demonstrated in the chart on the below. The proportion of households among “the working poor” (in the $15-$25,000 range) and those below poverty level (under $15,000) are below those in the U.S. and well below the N.O. MSA.

Income from Parish residents commuting to surrounding parishes for work is high (34 percent) in St. Tammany Parish. The chart below indicates that 50 percent of the
Parish’s wage income comes from workers who commute to jobs in neighboring parishes. This is significantly higher than in most suburban communities in the Baton Rouge and Jackson, MS metro areas (see chart below).
Per capita income in St. Tammany Parish has grown at the same rate (47 percent) over the last decade as in the U.S.; however, it is just 95 percent of the U.S. level, and the gap between the U.S. and the Parish actually widened by $700/year during the period. Current per capita income in the Parish is significantly higher (21 percent) than Louisiana’s, as well as the New Orleans MSA (7 percent).

### Per Capita Income

<table>
<thead>
<tr>
<th></th>
<th>1991</th>
<th>1995</th>
<th>2000</th>
<th>Change($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Tammany Parish</td>
<td>$19,009</td>
<td>$22,365</td>
<td>$27,859</td>
<td>$8,850</td>
</tr>
<tr>
<td>New Orleans MSA</td>
<td>$18,337</td>
<td>$21,852</td>
<td>$26,056</td>
<td>$7,719</td>
</tr>
<tr>
<td>Louisiana</td>
<td>$16,030</td>
<td>$19,314</td>
<td>$23,090</td>
<td>$7,060</td>
</tr>
<tr>
<td>U.S.</td>
<td>$20,023</td>
<td>$23,255</td>
<td>$29,469</td>
<td>$9,446</td>
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</table>

St. Tammany as percent of:

<table>
<thead>
<tr>
<th></th>
<th>New Orleans MSA</th>
<th>Louisiana</th>
<th>U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>103.7%</td>
<td>118.6%</td>
<td>94.9%</td>
</tr>
<tr>
<td></td>
<td>102.3%</td>
<td>115.8%</td>
<td>96.2%</td>
</tr>
<tr>
<td></td>
<td>106.9%</td>
<td>120.7%</td>
<td>94.5%</td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis, REIS database.

### Wages

Wages in St. Tammany Parish were significantly lower than those in the MSA, state, and the U.S. during the last decade. The wage gap between the Parish and the MSA, as well as the U.S., closed in 1995, but widened again in 2000 (See table below).

<table>
<thead>
<tr>
<th></th>
<th>Average Annual Wage($)</th>
<th>1991</th>
<th>1995</th>
<th>2000</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Tammany Parish</td>
<td></td>
<td>$16,662</td>
<td>$19,317</td>
<td>$23,467</td>
<td>41%</td>
</tr>
<tr>
<td>New Orleans MSA</td>
<td></td>
<td>$22,305</td>
<td>$21,904</td>
<td>$29,104</td>
<td>30%</td>
</tr>
<tr>
<td>Louisiana</td>
<td></td>
<td>$20,869</td>
<td>$23,243</td>
<td>$27,176</td>
<td>30%</td>
</tr>
<tr>
<td>U.S.</td>
<td></td>
<td>$24,216</td>
<td>$27,400</td>
<td>$34,652</td>
<td>43%</td>
</tr>
</tbody>
</table>

St. Tammany as % of New Orleans MSA

<table>
<thead>
<tr>
<th></th>
<th>as % of Louisiana</th>
<th>as % of U.S.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>75%</td>
<td>80%</td>
</tr>
<tr>
<td></td>
<td>88%</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td>81%</td>
<td>86%</td>
</tr>
<tr>
<td></td>
<td>69%</td>
<td>71%</td>
</tr>
<tr>
<td></td>
<td>68%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bureau of Economic Analysis, REIS database
Labor Force
Job growth in St. Tammany Parish (60 percent) far exceeded the New Orleans MSA (13 percent) and Louisiana (18 percent) over the last decade. (See chart below and on next page.) However, the impact has been in low wage sectors such as retail and services (See Jobs by Industry Sector in the Employment Base section in this report.). Little of the local job growth has been in sectors that match the salary requirements of commuters.

Unemployment rates in St. Tammany have been below the State's and Region's rate in every year over the last decade, hitting its low of 3 percent in 1999. The result is a tight labor market in the Parish (3.7 percent in 2000) that poses a challenge for expansion or recruitment of new business.
St. Tammany Parish has a greater proportion of its workforce in white-collar occupations (Office/ clerical through Executive & Management) than the nation and the region. (See chart below). The white-collar sector lends stability to the employment situation, as these jobs are less prone to layoff and downsizing than blue-collar positions. The occupational structure in St. Tammany also suggests that the parish has more appeal to office employers than to manufacturers.
Employment Base

The largest generators of new jobs in the 1990’s in St. Tammany Parish, paralleling national trends, were services and retail. Jobs in mining declined, following national trends. The number of jobs in the manufacturing sector during the decade grew, though the sector declined nationally by 3 percent and grew just 2 percent in Louisiana. Other high growth sectors in the Parish included Finance, Insurance & Real Estate, as well as Construction, an indication of the major residential expansion that occurred over the 1990’s.

Payroll growth in five of the major employment sectors is far in excess of national growth rates, while three grew slower than national norms (See Figure 1 at the end of this section). Services, retail trade, financial & insurance, construction, manufacturing, and agricultural services grew relative to the national economy while business services, transportation & utilities, and mining grew slower than national norms. In the area of business services (the statistical category that includes computer programming and information technology) St. Tammany Parish had much slower growth than its national counterparts.
The distribution of jobs by industry sector in St. Tammany is far different than the distribution in the N.O. MSA, Louisiana or the U.S (See chart on next page). While the proportion of employment Parish-wide in government, services, and wholesaling is comparable to other economies, the Parish has a far higher proportion of its workforce in finance, insurance, real estate, retail and construction, sectors supported by residential growth. The proportion of Parish workers engaged in mining, manufacturing and transportation (staple industries in the state and region) are far lower than in the U.S. or Louisiana. The Parish distribution of employment suggests that its economy is tied largely to providing goods and services for local residents, a marked divergence from other communities of similar size throughout the U.S.
Industrial Clusters and Economic Base

A total of 27 industries have significant concentrations of employment within St. Tammany Parish (See Table 1 in this section). The understanding of an area’s economic base is aided by grouping these industries into clusters.

Clusters are networks of industries that work together to produce and sell a product or service. A company producing wood furniture must have supplies of hardwood lumber, fasteners, and finishes to manufacture their product. The network of these companies can be considered a “wood products” cluster. Communities have begun to look at their industrial structure in terms of clusters, as interpretation of economic trends and assessments of strengths, weaknesses, and threats is more obvious.

To qualify as a cluster, a group must have significant sales outside the parish (normally in global or national markets), must have a significant number of companies within the parish, and must have a significant number of employees. The concentration of a cluster
in the region is an indicator of that cluster’s comparative advantage in global markets. Shipbuilding, Marine Transportation, and Metal Fabrication, industries that are highly concentrated in Louisiana, are among the strongest clusters in the St. Tammany economy (industries with concentrations above 250 percent are considered to have significant regional production advantages). Other industries that are highly concentrated in the Parish, but not in Louisiana, are publishing, and national/regional wholesale (this is the statistical category that includes SCP Pools). St. Tammany has concentrations in Horticulture and Horse production, industries that thrive in the northern end of the parish. The three largest concentrations in terms of overall jobs are in hospitals, in subdivision and construction activities, and in regional retailing. The hospital sector includes statewide facilities such as the Southeast Louisiana Hospital. The retailing sector, not normally a basic activity in most communities, attracts significant dollars from neighboring counties in Mississippi.

**Retail Trade**

Retail sales in St. Tammany Parish have grown faster than in the New Orleans MSA or Louisiana. St. Tammany has seen major expansion in its retailing sector since 1997 (up by 47 percent) with the addition of a number of “big box” retailers. The Parish still has per capita retail sales that are below the average for the state and for many urbanized parishes (See chart on the right). Citizens assume that this divergence stems from a lack of retail stores in St. Tammany Parish. Taimerica’s work in other Louisiana parishes demonstrates that capital-intensive industries, such as the petrochemical complex, are a major source of sales tax dollars for Louisiana parishes. Ascension Parish, without any major malls, has twice the per capita retail sales of St. Tammany Parish. An interview with the Sales Tax Authority in Ascension Parish in 2001 revealed that 40 percent of the retail sales within Ascension Parish stem from petrochemical plants. Purchases of office supplies, computer equipment, software, vehicles, pumps, compressors, and a host of industrial supplies are subject to sales and use tax. The development of an industrial base is important to the development of the sales tax base for St. Tammany.

### Retail Sales in 2001

<table>
<thead>
<tr>
<th>Geographic Unit</th>
<th>($/Per Capita)</th>
</tr>
</thead>
<tbody>
<tr>
<td>St Tammany</td>
<td>$ 4,586</td>
</tr>
<tr>
<td>East Baton Rouge Parish</td>
<td>$14,153</td>
</tr>
<tr>
<td>Ascension Parish</td>
<td>$11,610</td>
</tr>
<tr>
<td>Orleans Parish</td>
<td>$ 5,959</td>
</tr>
<tr>
<td>Jefferson Parish</td>
<td>$16,783</td>
</tr>
<tr>
<td>St Charles Parish</td>
<td>$ 6,378</td>
</tr>
<tr>
<td>Louisiana</td>
<td>$10,571</td>
</tr>
<tr>
<td>USA</td>
<td>$11,627</td>
</tr>
</tbody>
</table>

Source: Computed from Rite-Site database
The distribution of retail sales by category in St. Tammany diverges from state and national norms (See table below). The largest divergence is in the low proportion of retail sales in motor vehicle sales. The parish has a larger proportion of retail sales in general merchandise (shopping goods that pull customers from Mississippi), health care, gasoline (owing probably to the large commuter population) and food & beverage.

Tax Base Growth

Much of the revenue base in Louisiana for support of schools and government services stems from local sales taxes. The local tax base is strongly tied to payroll growth in other parishes (See table on next page). The health services sector, the next largest source of income in the parish, is miniscule compared to the contribution from commuters. Unless St. Tammany Parish develops its own employment base, its ability to finance government services and schools will depend on the economic development success of Jefferson and Orleans Parishes, communities that are running out of available land and resources to sustain office or manufacturing growth.
Entrepreneurship is now recognized as an important component in economic growth. Entrepreneurial job growth varies significantly by location. Some areas present more opportunities for new businesses than others. The National Commission on Entrepreneurship recently analyzed rates of business formation in 394 metro areas throughout the U.S.3 The Commission’s work measures the number of “gazelle” firms in each metro area. The New Orleans region had 1300 companies that had achieved gazelle status, over 75 percent above the average for regions with 1 to 3 million populations. Our analysis suggests that about 20 percent of those gazelle firms are based in St. Tammany Parish (significantly higher than one expects based on population).

Business services, the statistical category that includes computer programming and information technology, account for 42 percent of new firms and the largest number of jobs in St. Tammany Parish. The other six top industries accounting for the gazelle jobs include construction, motion pictures, engineering & other professional services, wholesale trade, hotels & other lodging places and motion pictures. Examining the pattern shows that the gazelle firms are concentrated in services that support the

---

3 National Commission on Entrepreneurship  High Growth Companies: Mapping America’s Entrepreneurial Landscape, July 2001
4 A term coined by David Birch. Birch’s research suggests that just 4 percent of the small businesses in the U.S. (which he calls Gazelles) grow more than 20 percent per year-- but these firms produce 80 percent of the nation’s new jobs in the small business sector.
Parish’s growth in industries such as construction and engineering & accounting services:

<table>
<thead>
<tr>
<th>Gazelle Firms in St. Tammany Parish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Businesses</td>
</tr>
<tr>
<td>----------------------</td>
</tr>
<tr>
<td>Business Services</td>
</tr>
<tr>
<td>Construction - Special Trade Contractors</td>
</tr>
<tr>
<td>Motion Pictures</td>
</tr>
<tr>
<td>Engr., acct., research, mng. &amp; related services</td>
</tr>
<tr>
<td>Wholesale Trade - Nondurable Goods</td>
</tr>
<tr>
<td>Wholesale Trade - Durable Goods</td>
</tr>
<tr>
<td>Hotels, rooming houses, camps &amp; other lodging places</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>TOTAL</td>
</tr>
</tbody>
</table>

SOURCE: Marketplace CD-ROM

Young businesses are more dynamic in their hiring than older businesses. Most of the new jobs in the U.S. economy are created by recently formed businesses. Looking at employment by age of business is an important component of an economic base report. About 25 percent of the jobs in St. Tammany Parish are in companies formed in the last five years (see graph on next page). This ratio is comparable to Baton Rouge and Houma and is slightly under the proportion in Dallas, one of the nation’s fastest growing economies in the nation. This analysis suggests that St. Tammany Parish is a fertile field for entrepreneurs.

St. Tammany Parish clearly measures well as an incubator for new business. New business (businesses formed in the last 6 years) has contributed the same proportion of jobs in the Parish as in Houma and Baton Rouge, and nearly as many as in Dallas, Atlanta and San Jose (Silicon Valley). (See chart on next page).
Comparison of Employment by Age of Business

Source: D&B Marketplace CD-ROM
Self Employment
There was a significant growth in self-employment in St. Tammany Parish over the last decade (67 percent) compared to Louisiana (22 percent) and the U.S. (24 percent), though self-employment income accounts for only a small portion of the Parish’s overall income (as seen in the Income by Category chart in this section.) Self-employment grew at the same rate as overall employment in the Parish during the period. What is surprising is that the average income of self-employed persons remained static during the decade but actually dropped to 60 percent of the average wages of jobs within the parish by 2000.

Technology Resources
High technology was responsible for two-thirds of employment growth in the U.S. in the late 1990’s, even though it comprised just 3.4 percent of jobs. Technology resources are an important, and growing, resource for economic development. The talent pools that are most important for technology development are IT (information technology) and engineering.

The concentration of IT workers in both St. Tammany (77 percent) and New Orleans (58 percent) is well below the national average. The concentration of engineers, the other key technology resource, is well above the national average in St. Tammany Parish (See table on the right).

St. Tammany is a strong innovator in mining technologies related to oil and gas. The Parish also has had success in the areas of inorganic chemistry and entertainment/fashion.

---

Self-Employment Trends
1991 - 2000

<table>
<thead>
<tr>
<th></th>
<th>1991</th>
<th>2000</th>
<th>91' - 00'</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Tammany</td>
<td>13,412</td>
<td>22,421</td>
<td>67%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>299,867</td>
<td>367,317</td>
<td>22%</td>
</tr>
<tr>
<td>USA</td>
<td>22,526,800</td>
<td>27,913,300</td>
<td>24%</td>
</tr>
</tbody>
</table>

SOURCE: REIS database

---

Technology Resource Assessment

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Concentration* IT Engineers</th>
<th>Number of Workers IT Engineers</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Francisco</td>
<td>226% 183%</td>
<td>193,034 131,164</td>
</tr>
<tr>
<td>Phoenix</td>
<td>121% 131%</td>
<td>43,813 39,865</td>
</tr>
<tr>
<td>Huntsville</td>
<td>221% 317%</td>
<td>8,901 10,707</td>
</tr>
<tr>
<td>Austin</td>
<td>221% 188%</td>
<td>35,714 25,442</td>
</tr>
<tr>
<td>Boston</td>
<td>174% 141%</td>
<td>125,535 85,179</td>
</tr>
<tr>
<td>Dallas/Ft Worth</td>
<td>165% 124%</td>
<td>103,534 65,188</td>
</tr>
<tr>
<td>Omaha</td>
<td>146% 73%</td>
<td>13,100 5,526</td>
</tr>
<tr>
<td>Washington</td>
<td>245% 118%</td>
<td>230,013 93,038</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>119% 93%</td>
<td>83,273 54,609</td>
</tr>
<tr>
<td>New Orleans</td>
<td>58% 101%</td>
<td>8,167 12,007</td>
</tr>
<tr>
<td>St. Tammany</td>
<td>77% 144%</td>
<td>1,647 2,599</td>
</tr>
<tr>
<td>Houston</td>
<td>111% 150%</td>
<td>57,331 65,348</td>
</tr>
<tr>
<td>Baton Rouge</td>
<td>75% 150%</td>
<td>4,386 7,782</td>
</tr>
</tbody>
</table>

* Percent of National Average

Source: Census 2000 Detailed Reports

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5 Computations by Taimerica Management Company based on ES-202 reports and on unpublished research by the Milken Institute
Conclusion

St. Tammany has a strong labor force for office activities. St. Tammany Parish has seen internal economic growth that is above the population growth rate, suggesting that the Parish is starting to build its own economic base. Even so, the proportion of income that stems from commutes to other parishes is quite high, even for a suburban parish. Retail sales are strongly tied to this income stream from commuters. Without building a stronger business base, the Parish will not generate the sales tax growth needed to sustain good schools and public infrastructure. With a strong base of engineering talent and past success in patented innovations, the parish should selectively focus on economic growth that builds on new economy services.

Even though the talent pool for information tech is limited, the Parish would double the concentration of info tech business if it attained the current concentrations in Lafayette, Jefferson and Orleans Parish (See Figure 6 in this section).
Comparison of Growth in St. Tammany & USA

Payroll Growth from 1991-2000 ($)

- National Rate
- Difference
FIGURE 2

Employment Concentrations in St. Tammany Parish 2002

Bubble size is proportional to employment in 2002. See Table 1 for Industry breakdowns.
# TABLE 1

## Employment Growth in St. Tammany since 1997 by Cluster

<table>
<thead>
<tr>
<th>SIC</th>
<th>SIC Name</th>
<th>2002</th>
<th>1997</th>
<th>Growth</th>
<th>Tammany</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Est</td>
<td>Emp</td>
<td>LQ*</td>
<td>Est</td>
</tr>
<tr>
<td>10</td>
<td>Ship &amp; Boat Building</td>
<td>10</td>
<td>440</td>
<td>878%</td>
<td>5</td>
</tr>
<tr>
<td>3732</td>
<td>Boatbuilding and repairing</td>
<td>10</td>
<td>440</td>
<td>878%</td>
<td>5</td>
</tr>
<tr>
<td>181</td>
<td>Horticulture</td>
<td>17</td>
<td>218</td>
<td>194%</td>
<td>14</td>
</tr>
<tr>
<td>5153</td>
<td>Ornamental nursery products</td>
<td>15</td>
<td>159</td>
<td>206%</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>Grain and field beans</td>
<td>2</td>
<td>59</td>
<td>161%</td>
<td>3</td>
</tr>
<tr>
<td>3732</td>
<td>Boatbuilding and repairing</td>
<td>114</td>
<td>538</td>
<td>229%</td>
<td>116</td>
</tr>
<tr>
<td>272</td>
<td>Horses and other equines</td>
<td>11</td>
<td>52</td>
<td>389%</td>
<td>6</td>
</tr>
<tr>
<td>742</td>
<td>Veterinary services, specialties</td>
<td>54</td>
<td>336</td>
<td>210%</td>
<td>86</td>
</tr>
<tr>
<td>752</td>
<td>Animal specialty services</td>
<td>49</td>
<td>150</td>
<td>218%</td>
<td>24</td>
</tr>
<tr>
<td>5078</td>
<td>Regional/National Wholesaling</td>
<td>36</td>
<td>668</td>
<td>401%</td>
<td>27</td>
</tr>
<tr>
<td>5088</td>
<td>Refrigeration equipment and supplies</td>
<td>4</td>
<td>64</td>
<td>429%</td>
<td>3</td>
</tr>
<tr>
<td>5181</td>
<td>Beer and ale</td>
<td>11</td>
<td>88</td>
<td>227%</td>
<td>11</td>
</tr>
<tr>
<td>5146</td>
<td>Fish and seafoods</td>
<td>10</td>
<td>54</td>
<td>170%</td>
<td>4</td>
</tr>
<tr>
<td>5091</td>
<td>Sporting and recreation goods</td>
<td>8</td>
<td>275</td>
<td>577%</td>
<td>5</td>
</tr>
<tr>
<td>3441</td>
<td>Metal Fabrication</td>
<td>19</td>
<td>394</td>
<td>210%</td>
<td>10</td>
</tr>
<tr>
<td>3531</td>
<td>Fabricated structural metal</td>
<td>10</td>
<td>207</td>
<td>235%</td>
<td>7</td>
</tr>
<tr>
<td>3533</td>
<td>Construction machinery</td>
<td>8</td>
<td>125</td>
<td>163%</td>
<td>2</td>
</tr>
<tr>
<td>3533</td>
<td>Oil and gas field machinery</td>
<td>1</td>
<td>62</td>
<td>223%</td>
<td>1</td>
</tr>
<tr>
<td>4492</td>
<td>Marine Transportation</td>
<td>34</td>
<td>195</td>
<td>366%</td>
<td>30</td>
</tr>
<tr>
<td>4492</td>
<td>Towing and tugboat service</td>
<td>3</td>
<td>61</td>
<td>449%</td>
<td>3</td>
</tr>
<tr>
<td>4493</td>
<td>Marinas</td>
<td>25</td>
<td>81</td>
<td>326%</td>
<td>21</td>
</tr>
<tr>
<td>4499</td>
<td>Water transportation services,</td>
<td>5</td>
<td>53</td>
<td>332%</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Publishing &amp; Communication</td>
<td>12</td>
<td>375</td>
<td>296%</td>
<td>6</td>
</tr>
<tr>
<td>2731</td>
<td>Book publishing</td>
<td>5</td>
<td>143</td>
<td>162%</td>
<td>4</td>
</tr>
<tr>
<td>4899</td>
<td>Communication services, nec</td>
<td>7</td>
<td>232</td>
<td>378%</td>
<td>2</td>
</tr>
<tr>
<td>3231</td>
<td>Misc Manufacturing</td>
<td>7</td>
<td>215</td>
<td>660%</td>
<td>4</td>
</tr>
<tr>
<td>2331</td>
<td>Women's and misses' blouses and shirts</td>
<td>1</td>
<td>100</td>
<td>1050%</td>
<td>1</td>
</tr>
<tr>
<td>3084</td>
<td>Plastics pipe</td>
<td>1</td>
<td>63</td>
<td>459%</td>
<td>1</td>
</tr>
<tr>
<td>3231</td>
<td>Products of purchased glass</td>
<td>5</td>
<td>52</td>
<td>152%</td>
<td>2</td>
</tr>
</tbody>
</table>
### Employment Growth in St. Tammany by Clusters (con’t)

<table>
<thead>
<tr>
<th>SIC</th>
<th>SIC Name</th>
<th>2002</th>
<th></th>
<th>1997</th>
<th></th>
<th>Growth (%)</th>
<th>Tammany Growth(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Est</td>
<td>Emp</td>
<td>Est</td>
<td>Emp</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>Subdivision &amp; Construction</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1629</td>
<td>Heavy construction, nec</td>
<td>44</td>
<td>481</td>
<td>29</td>
<td>249</td>
<td>15</td>
<td>232</td>
</tr>
<tr>
<td>1793</td>
<td>Glass and glazing work</td>
<td>6</td>
<td>68</td>
<td>5</td>
<td>78</td>
<td>1</td>
<td>-10</td>
</tr>
<tr>
<td>3273</td>
<td>Ready-mixed concrete</td>
<td>4</td>
<td>146</td>
<td>1</td>
<td>30</td>
<td>3</td>
<td>116</td>
</tr>
<tr>
<td>6552</td>
<td>Subdividers and developers, nec</td>
<td>33</td>
<td>317</td>
<td>22</td>
<td>215</td>
<td>11</td>
<td>102</td>
</tr>
<tr>
<td>7353</td>
<td>Heavy construction equipment rental</td>
<td>10</td>
<td>215</td>
<td>5</td>
<td>47</td>
<td>5</td>
<td>168</td>
</tr>
<tr>
<td></td>
<td><strong>Hospitals and Health Care</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>806</td>
<td>Hospitals</td>
<td>14</td>
<td>4536</td>
<td>11</td>
<td>3282</td>
<td>3</td>
<td>1254</td>
</tr>
<tr>
<td>8072</td>
<td>Dental Labs</td>
<td>10</td>
<td>72</td>
<td>9</td>
<td>59</td>
<td>1</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td><strong>Regional Retailing &amp; Consumer Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5231</td>
<td>Paint, glass, and wallpaper stores</td>
<td>20</td>
<td>88</td>
<td>18</td>
<td>68</td>
<td>2</td>
<td>20</td>
</tr>
<tr>
<td>5251</td>
<td>Hardware stores</td>
<td>30</td>
<td>204</td>
<td>24</td>
<td>138</td>
<td>6</td>
<td>66</td>
</tr>
<tr>
<td>5261</td>
<td>Retail nurseries and garden stores</td>
<td>41</td>
<td>147</td>
<td>41</td>
<td>156</td>
<td>0</td>
<td>-9</td>
</tr>
<tr>
<td>5499</td>
<td>Miscellaneous food stores</td>
<td>37</td>
<td>400</td>
<td>31</td>
<td>107</td>
<td>6</td>
<td>293</td>
</tr>
<tr>
<td>5551</td>
<td>Boat dealers</td>
<td>26</td>
<td>91</td>
<td>15</td>
<td>56</td>
<td>11</td>
<td>35</td>
</tr>
<tr>
<td>5632</td>
<td>Women's accessory and specialty stores</td>
<td>15</td>
<td>73</td>
<td>12</td>
<td>30</td>
<td>3</td>
<td>43</td>
</tr>
<tr>
<td>6029</td>
<td>Commercial banks, nec</td>
<td>7</td>
<td>112</td>
<td>2</td>
<td>28</td>
<td>5</td>
<td>84</td>
</tr>
</tbody>
</table>

*Location Quotient*
## Technology Concentrations in Various Mid-size Metro Areas

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Population</th>
<th>Patents/100,000 Population between 1995-99 (as percent of US Average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jackson, MS MSA</td>
<td>432,647</td>
<td>Electronic: 36%, Medical: 18%, Mechanical: 25%, Fash/Ent: 35%, Organic: 9%, Inorganic: 9%, Coatings: 16%, Mining: 15%</td>
</tr>
<tr>
<td>Biloxi-Gulfport-Pascagoula, MS MSA</td>
<td>353,205</td>
<td>Electronic: 6%, Medical: 5%, Mechanical: 38%, Fash/Ent: 66%, Organic: 11%, Inorganic: 32%, Coatings: 19%, Mining: 57%</td>
</tr>
<tr>
<td>Hattiesburg, MS MSA</td>
<td>113,054</td>
<td>Electronic: 10%, Medical: 20%, Mechanical: 15%, Fash/Ent: 21%, Organic: 106%, Inorganic: 62%, Coatings: 0%, Mining: 0%</td>
</tr>
<tr>
<td>Mobile, AL MSA</td>
<td>535,472</td>
<td>Electronic: 11%, Medical: 35%, Mechanical: 35%, Fash/Ent: 106%, Organic: 57%, Inorganic: 60%, Coatings: 21%, Mining: 75%</td>
</tr>
<tr>
<td>Birmingham, AL MSA</td>
<td>915,077</td>
<td>Electronic: 11%, Medical: 96%, Mechanical: 26%, Fash/Ent: 28%, Organic: 50%, Inorganic: 21%, Coatings: 22%, Mining: 37%</td>
</tr>
<tr>
<td>Little Rock-North Little Rock, AR MSA</td>
<td>559,074</td>
<td>Electronic: 16%, Medical: 36%, Mechanical: 35%, Fash/Ent: 48%, Organic: 14%, Inorganic: 33%, Coatings: 16%, Mining: 0%</td>
</tr>
<tr>
<td>Gainesville, FL MSA</td>
<td>198,484</td>
<td>Electronic: 81%, Medical: 770%, Mechanical: 81%, Fash/Ent: 64%, Organic: 323%, Inorganic: 96%, Coatings: 138%, Mining: 34%</td>
</tr>
</tbody>
</table>

Source: Compiled by Taimerica Management Company from NBER and USPTO databases
FIGURE 3

Concentration of Info Tech Resources in 2000

Source: US Census 2000 reports

Baton Rouge
Houston
St. Tammany
New Orleans
Philadelphia
Washington
Omaha
Dallas/Ft Worth
Boston
Austin
Huntsville
Phoenix
San Francisco

Percent of US Average (%)
FIGURE 5

Size of Info Tech Talent Pool

Workers

Baton Rouge
Houston
St. Tammany
New Orleans
Philadelphia
Washington
Omaha
Dallas/Ft Worth
Boston
Austin
Huntsville
Phoenix
San Francisco
FIGURE 6

Concentration of Business Services Payroll in 2000

Numbers in parentheses are rank among 503 largest counties in the USA

<table>
<thead>
<tr>
<th>County</th>
<th>Bus Services Concentration</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Tammany</td>
<td>336</td>
<td>1</td>
</tr>
<tr>
<td>Hinds (Jackson), MS</td>
<td>12</td>
<td>503</td>
</tr>
<tr>
<td>East Baton Rouge</td>
<td>210</td>
<td>2</td>
</tr>
<tr>
<td>Mobile, AL</td>
<td>185</td>
<td>25</td>
</tr>
<tr>
<td>Orleans, LA</td>
<td>162</td>
<td>10</td>
</tr>
<tr>
<td>Jefferson, LA</td>
<td>151</td>
<td>15</td>
</tr>
<tr>
<td>Lafayette, LA</td>
<td>57</td>
<td>502</td>
</tr>
<tr>
<td>Harris (Houston)</td>
<td>12</td>
<td>500</td>
</tr>
<tr>
<td>New York</td>
<td>151</td>
<td>150</td>
</tr>
<tr>
<td>Fulton (Atlanta)</td>
<td>210</td>
<td>2</td>
</tr>
<tr>
<td>Somerset (New York)</td>
<td>162</td>
<td>10</td>
</tr>
<tr>
<td>DuPage (Chicago)</td>
<td>151</td>
<td>15</td>
</tr>
<tr>
<td>Marin (San Fran.)</td>
<td>57</td>
<td>502</td>
</tr>
<tr>
<td>San Francisco</td>
<td>336</td>
<td>1</td>
</tr>
<tr>
<td>Boulder</td>
<td>12</td>
<td>503</td>
</tr>
<tr>
<td>Middlesex (Boston)</td>
<td>210</td>
<td>2</td>
</tr>
<tr>
<td>King (Seattle)</td>
<td>185</td>
<td>25</td>
</tr>
<tr>
<td>Santa Clara (Silicon Valley)</td>
<td>162</td>
<td>10</td>
</tr>
<tr>
<td>San Mateo (San Fran.)</td>
<td>151</td>
<td>15</td>
</tr>
<tr>
<td>Loudoun (D.C.)</td>
<td>57</td>
<td>502</td>
</tr>
</tbody>
</table>
IV. An Assessment of the Locational Strengths and Weaknesses of St. Tammany Parish

Taimerica has been retained by the St. Tammany Parish Consolidated Government, the Economic Development District and the Economic Development to conduct an assessment of the community from the perspective of a business investor. The objectives of this assessment are to:

- Identify key strengths to emphasize in economic development marketing efforts;
- Identify key weaknesses that may limit corporate investment in St. Tammany Parish so that remediation of these local problems can occur; and,
- Build the foundation for the identification of appropriate target industry sectors for the focus of economic development marketing by St. Tammany Parish.

The sources of information for this assessment are varied. They include interviews with local employers (manufacturing firms and offices), selected local government officials, utilities, real estate brokers, education representatives, etc. Taimerica also gathered statistical information, and reviewed previous studies and available local data. All of this input was combined with our past corporate siting/economic development experience.

The information and knowledge gained from these sources will be incorporated into the strategic planning process that is being undertaken to further the economic development effort locally.

Successful economic development planning involves knowing clearly what assets the area has to market and what it needs to improve so that the economy can prosper. The following is a summary of what Taimerica believes to be the major strengths (assets) and weaknesses (liabilities and limitations) from an economic development perspective, based on our long-standing involvement in site selection and community development.
Economic Development Strengths and Weaknesses of St. Tammany Parish

St. Tammany Parish possesses many economic development assets and resources, as evidenced by the strength of its existing economic base. Limitations and weaknesses also exist with respect to economic development and business recruitment, just as there would be in any other region. Working to improve these weaknesses while marketing a region’s strengths and resources are hallmarks of successful economic development. The following list summarizes the major strengths, assets, limitations, and weaknesses of St. Tammany Parish from an economic development perspective:

Strengths:
- Worker productivity & labor relations
- Manufacturing labor supply
- Quality of life
- Access to global and Gulf Coast markets
- Quality of schools
- Corporate office and back office labor supply
- Entrepreneurial climate
- Interstate highway access
- Cost of office & warehouse leases

Neutrals:
- Business/government cooperation
- Construction costs
- Office wages
- Manufacturing wages
- Electrical rates
- National market access
- Telecommunications Infrastructure

Weaknesses:
- Business park supply and prices
- Supply of warehouse, flex, and office space
- Tax rates
- Water and wastewater rates and capacity
- Traffic congestion
- Affordable housing
- Zoning and permitting
- Conference & meeting facilities
- Support for economic development programs
**STRENGTH**

**Worker Productivity and Labor Relations**

**SIGNIFICANCE**

*Labor productivity and labor/management relations are critical to all site location projects since labor continues to be the major cost element in most operations. The labor situation is one of the first things taken into consideration when companies and location consultants look at an area. Labor productivity is analyzed in several ways, including composition of the labor force, absenteeism and turnover rates, and employer comments.*

- Employers in St. Tammany Parish consistently ranked worker productivity as good to excellent. None of the employers expressed concerns about the basic skills of the workforce, which generally is not the case in many communities today.

- None of the companies that we interviewed had experienced union organization attempts in the last decade.

- Employers report that workers are willing and eager to work overtime. Overtime is a common practice in many companies in the oil service and equipment fields in the Parish.

- Employers mention that they have little problem maintaining 24/7 operations.

- Turnover and absenteeism weren’t major concerns among the companies we interviewed.

- Health care institutions mentioned that turnover is lower in St. Tammany than in Southshore institutions. One company with a national network of hospitals noted that St. Tammany job fairs had drawn record numbers of qualified applicants, above the numbers seen in larger labor markets.

- Headquarters operations universally reported labor recruitment as good to very good. Quality of life and livability of the area is a draw for senior executive and top-level managers, as well as for mid-level workers. Headquarters companies have great success with national searches and also find a deep pool of applicants for administrative positions.
STRENGTH
Manufacturing Labor Supply

**SIGNIFICANCE**

The availability of skilled labor is an important location factor for manufacturing companies. Labor costs typically account for 15 percent of production costs in technically advanced economies. Skilled labor availability is now of as much importance in plant location as wages since the majority of assembly operations are now performed outside of the United States.

- Since the majority of residents in the parish have commutes of an hour or more, jobs in St. Tammany attract a large number of applicants. Manufacturing companies did not report problems recruiting technical or skilled blue-collar workers.

- Retail and personal service businesses, lacking benefits and a career path, suffer from a lack of applicants. Manufacturers, even those with starting pay below $7.00/hour, have not had problems recruiting suitable workers because they offer upward mobility and health benefits.

- Approximately 2,200 students per year enter the regional labor market after completing high school (See table below). Local employment can grow by 2.5 percent/year without affecting unemployment levels.

<table>
<thead>
<tr>
<th>Parish</th>
<th>Graduates in 2000</th>
<th>Enter</th>
<th>Labor Force</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Public</td>
<td>Private</td>
<td>Total</td>
</tr>
<tr>
<td>Washington</td>
<td>284</td>
<td>35</td>
<td>319</td>
</tr>
<tr>
<td>Tangipahoa</td>
<td>948</td>
<td>106</td>
<td>1054</td>
</tr>
<tr>
<td>St. Tammany</td>
<td>1800</td>
<td>332</td>
<td>2132</td>
</tr>
<tr>
<td>Hancock, MS</td>
<td>457</td>
<td>0</td>
<td>457</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3489</td>
<td>473</td>
<td>3926</td>
</tr>
</tbody>
</table>

Source: Compiled from BESE’s Composite Report of Districts for 2000-2001
STRENGTH
Quality of Life

SIGNIFICANCE
As companies seek to recruit and retain more professionals and managers, the issue of housing availability, community attractiveness and cultural-recreational assets and the general cost of living become increasingly important. This location factor generally becomes important in the analysis of final candidate communities for a new facility. While cost factors continue to dominate location decisions of companies, quality of life plays an increasingly important role. Executives want to live in pleasant communities, and a good quality of life makes it easier to attract and retain the best employees. Quality of life means different things to different people, but certain factors are widely valued including a reasonable cost of living, low crime rate, cultural/recreational activities, and overall community ambiance.

• Managers and executives in companies we interviewed, whether native to Louisiana or elsewhere, mentioned that the quality of life is a major draw for national searches. Executives believe that the excellent schools, low crime rates, executive housing, and recreational assets are excellent. Most managers we interviewed ranked quality of life as the primary strength of the Parish for business development.

• Community leaders agree with this assessment. They rank executive level housing, low crime rates, health care quality, and attractiveness of the physical environment among the top 10 strengths of the parish. Eleven of the top 15 strengths ranked by leaders are elements of the Parish's quality of life.

• Housing prices are moderate by national standards. The average price of a single-family home in 2002 was 20 percent below the national average, based on data supplied by the Northshore Board of Realtors.

• National surveys of crime and medical care also support the perception that crime rates are exceptionally low and health care quality strong throughout the parish (See Table 1 below).

• The quality of life and moderate living costs are a resource for development of active retirement communities. National developers of active retirement communities, such as Del Webb Corporation, evaluate quality of life, medical care, crime, and cost of living when they screen communities for new projects.
Table 1. Medical Care and Crime Stats for New Orleans, Slidell and St. Tammany Parish
(Per 100,000 residents)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medical Care</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Physicians/per 100,000</td>
<td>230</td>
<td>494</td>
<td>NA</td>
<td>116</td>
<td>230</td>
</tr>
<tr>
<td>Health Care Cost Index</td>
<td>100</td>
<td>75.8</td>
<td>NA</td>
<td>98</td>
<td>75.4</td>
</tr>
<tr>
<td><strong>Crime</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murder</td>
<td>4</td>
<td>43</td>
<td>5</td>
<td>16</td>
<td>4</td>
</tr>
<tr>
<td>Rape</td>
<td>33</td>
<td>49</td>
<td>14</td>
<td>17</td>
<td>18</td>
</tr>
<tr>
<td>Robbery</td>
<td>116</td>
<td>509</td>
<td>41</td>
<td>82</td>
<td>45</td>
</tr>
<tr>
<td>Assault</td>
<td>293</td>
<td>486</td>
<td>423</td>
<td>604</td>
<td>244</td>
</tr>
<tr>
<td>Burglary</td>
<td>761</td>
<td>1113</td>
<td>594</td>
<td>1222</td>
<td>614</td>
</tr>
<tr>
<td>Larceny</td>
<td>3038</td>
<td>3367</td>
<td>1308</td>
<td>2344</td>
<td>2375</td>
</tr>
<tr>
<td>Auto Theft</td>
<td>362</td>
<td>1665</td>
<td>163</td>
<td>153</td>
<td>235</td>
</tr>
</tbody>
</table>

Source: University of Virginia Library, Geostat
STRENGTH
Access to Global and Gulf Coast Markets

SIGNIFICANCE
Logistics costs are an important component of operating costs in factories that produce consumer products and bulky industrial materials such as plastic pipe and sheet. The majority of new factory operations are still located in the center of their markets because of logistics considerations and site consultants normally narrow the region of operations before looking at specific sites and cities. Market access is measured with transportation cost models that estimate logistics costs for national, regional, and multi-state territories. These models are supplemented with comments and observations of area employers.

- St. Tammany Parish is located within 50 miles of two of America’s largest ports and one of its most important container ports. Companies needing frequent service to foreign markets have a variety of cost-competitive alternatives in St. Tammany Parish. This advantage is significant both in terms of cost and time. The cost of inland transportation from factory to port is often as much as the cost of the ocean leg of an export shipment. Goods can leave a factory in St. Tammany Parish the day before a vessel leaves port whereas factories in inland locations might require an additional week to make the sailing. As export markets continue to grow at rates double the domestic market, international logistics is becoming much more important in factory location.

- About 90 percent of the Gulf Coast market lies between New Orleans and Houston. Transportation models show that distribution costs between Houston and Baton Rouge are comparable. St. Tammany has only a slight disadvantage compared to Baton Rouge.
Because St. Tammany lies at the crossroads of North-South and East-West interstates, the Parish has excellent access to the Mid-South market. Companies with a Mississippi-Louisiana regional market have good transportation access and costs in St. Tammany. Examples are Wal-Mart and Home Depot, each of which located distribution centers recently in Hammond.

Although aggregate transportation costs are above those in East Mississippi, distribution costs to Southeastern consumer markets from eastern St. Tammany Parish, are within 20 percent of costs in Atlanta, the lowest cost distribution center for the region.

The Parish is within an hour’s drive of Lewis Armstrong International Airport in Kenner. Nearness to a major airport is another screening factor used by national developers of active retirement communities.
SOUTHEAST DISTRIBUTION COST MODEL
(AS PERCENT OF LEAST COST LOCATION)

Costs of regional distribution based on 2000 market populations and truckload freight rates of $1.25 per mile.

Source: Model developed by Taimerica Management Company, Moundville LA www.taimerica.com

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STRENGTH
Quality of Schools

SIGNIFICANCE
The quality of local education is one of the most important quality-of-life factors evaluated in the site selection process. Companies know that strong school systems make it easier to recruit and attract key management employees. They also contribute to improving the skills base of the local workforce. Corporate site selectors pay particular attention to the comments of local employers when evaluating the quality of public education.

• The St. Tammany Parish school system has the lowest dropout rate in the state. Less than 8 percent of students leave school before graduation, compared to the statewide average of 9 percent and rates between 9 to 11 percent in Jefferson and Orleans Parish. The school system has worked hard to keep children in school. The Option 3 program with Slidell Vo-Tech, pioneered by the district, has been an effective program for reducing dropout rates.

• The system’s school-to-work program is well developed and popular with students. The school district was the first in Louisiana to develop a school-to-career track. The system has 13 active career clusters with over 5,500 enrolled students. About a tenth of these students engage in business internships in their career.

• The school system offers 16 national certification programs to high school students, including Microsoft Excel, Word, and Cisco Modules, as well as traditional vocational trades such as culinary arts, ASE certification in vehicle repair, and construction technologies. A total of 428 graduates in 2002 (about 20 percent) received a certificate in a nationally approved program, in addition to a high school diploma.

• Iowa test scores of 9th graders in St. Tammany are at the 62nd percentile, the highest in Louisiana and 12 percentage points above the national mean.

• College freshmen in Louisiana that attended St. Tammany schools are better prepared than those from other regions of the state. About 25 percent of first time freshmen from St. Tammany require developmental courses, a rate that is about half of the statewide average.
• The average ACT score for a St. Tammany student is 21.1, slightly higher than the national average and far above the statewide average of 19.6. The composite average ACT for the parish has grown every year since 1993.

• Employers in the Parish universally report that basic skills of workers are good to very good, a positive and unusual situation that we have not encountered in the last 2 years of over 100 employer interviews in Mississippi, Texas, and Louisiana.

• St. Tammany Parish public schools clearly are producing a better-prepared graduate than most of their peers.
STRENGTH
Corporate Office & Back Office Labor Supply

SIGNIFICANCE
The sophistication level of office work in the U.S. has increased over the past decade, as employees utilize more computer technology to accomplish their tasks. Office workers need good basic skills in math and language as well. Office operations are attracted to locations with an abundance of workers with computer and administrative skills. Low turnover and absenteeism are also important factors for office operations as most offices operate without a redundancy of workers trained in specific operations such as accounts payable, purchasing, or accounting.

- The office employers we surveyed without exception stated that it was easy to recruit office workers at all levels. Clerical skills are abundant and the local market offers an excellent supply of college trained office workers. Local workers offered an opportunity to reduce their 60 minute commutes are willing to trade lower wages for more family time and flexibility.

- Wages in office positions within the regional labor market are slightly higher than those in competitor communities (see table on next page) but, due to the commuter situation in St. Tammany, they are probably comparable to the lowest cost markets in the region.

- Many corporate headquarters in the Parish have grown rapidly during the 1990's without encountering any recruitment problems.

- The few R&D and IT companies we surveyed report that access to technical labor is a problem due to the small local talent pool.
<table>
<thead>
<tr>
<th>Occupation</th>
<th>Baton Rouge</th>
<th>Biloxi</th>
<th>Gulfport</th>
<th>Houma</th>
<th>Jackson</th>
<th>Lafayette</th>
<th>Lake Charles</th>
<th>Mobile</th>
<th>New Orleans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Claims Processing Clerks</td>
<td>$10.32</td>
<td>$11.28</td>
<td>$13.96</td>
<td>$11.85</td>
<td>$11.82</td>
<td>$10.56</td>
<td>$11.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receptionists and Information Clerks</td>
<td>$8.35</td>
<td>$8.96</td>
<td>$8.15</td>
<td>$9.27</td>
<td>$8.30</td>
<td>$8.62</td>
<td>$8.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reservation Agents and Travel Clerks</td>
<td>$8.92</td>
<td>$8.72</td>
<td>$8.35</td>
<td>$8.63</td>
<td>$10.67</td>
<td>$12.72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>$7.59</td>
<td>$7.56</td>
<td>$7.27</td>
<td>$8.62</td>
<td>$7.45</td>
<td>$7.67</td>
<td>$7.86</td>
<td>$7.22</td>
<td></td>
</tr>
<tr>
<td>General Secretary</td>
<td>$10.26</td>
<td>$10.31</td>
<td>$10.00</td>
<td>$11.19</td>
<td>$9.15</td>
<td>$9.20</td>
<td>$10.21</td>
<td>$10.76</td>
<td></td>
</tr>
<tr>
<td>Tellers</td>
<td>$8.67</td>
<td>$8.45</td>
<td>$8.10</td>
<td>$7.79</td>
<td>$8.20</td>
<td>$8.38</td>
<td></td>
<td>$8.48</td>
<td></td>
</tr>
<tr>
<td>As Percent of New Orleans market</td>
<td>90%</td>
<td>93%</td>
<td>80%</td>
<td>95%</td>
<td>97%</td>
<td>95%</td>
<td>96%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>
STRENGTH
Entrepreneurial Climate

SIGNIFICANCE
A growing share of new jobs in the U.S. economy stems from the formation of new companies. Strategies that rely on attraction of branch plants are less effective as the number of jobs in U.S. manufacturing continues to decline every decade. A business climate that supports and rewards entrepreneurs and that understands their needs is an important component of thriving economies throughout the U.S.A.

- Half of the companies we surveyed are locally controlled and launched by local entrepreneurs.

- The National Commission on Entrepreneurship (NcoE) reported in 1998 that the New Orleans region was 11th out of 39 large labor markets in terms of fast growth companies. The NcoE demonstrated that the region had 75 percent more fast growth companies than the typical U.S. community. The NcoE study identified 1,300 local companies in the region that had doubled their employment over the previous 5 years.

- The small number of national or regional headquarters in the region presents limited work opportunities for college-educated workers, which can lead these workers to start a small company as an alternative that allows them to stay in the community.

- The downsizing and early retirement programs at major oil and gas companies in the last 5 years has created a large pool of mid and senior level business executives with significant business acumen that can serve as a resource for launching business ventures.

- The high proportion of St. Tammany residents with technical and business degrees offers a strong resource for launching and growing entrepreneurial businesses. Few communities in the United States have such a large concentration of talent.
STRATEGY

Interstate Highway Access

SIGNIFICANCE

Highway access is important for two reasons. First, it impacts a company’s ability to ship and receive goods in a timely and cost-effective manner. Second, it influences a company’s ability to attract and retain employees, since ease of commuting is directly related to highway access. Location consultants find that many companies desire to be immediately adjacent to an interstate highway or a good four-lane highway.

- St. Tammany Parish is just one of 5 communities on the Gulf Coast of the United States at the intersection of a North-South and East-West interstate highway connection. This creates a transportation advantage for companies distributing to the multi-state market.

- Because of the length of interstate corridor within the Parish (60 miles) St. Tammany has 10 interchanges (see figure below). This creates a large number of opportunities for business parks adjacent to an interstate access ramp. Business sites with interstate access have a higher value to image conscious companies because of their visibility and opportunity for corporate image enhancement.

- Active retirement community developers favor sites within 5 miles of an interstate or major highway when they screen communities for new projects.
STRENGTH
Cost of Office and Warehouse Leases

SIGNIFICANCE
Building and operating a factory or office is a major cost factor in most projects. Site selectors evaluate office and industrial lease costs and availability when selecting locations for factories and offices since the costs can vary substantially from area to area.

- Major employers who had shopped for local office space report that costs are lower than suburban alternatives in Metairie.

- Our comparison of costs for office leases in St. Tammany demonstrates that costs are lower than in most Gulf Coast locations (See Table below).

- Likewise, costs of manufacturing and warehouse space in the New Orleans region are moderate compared to other Gulf Coast locations. The market in St. Tammany is too small to make direct comparisons with costs in other regional markets, however.

<table>
<thead>
<tr>
<th>Office Leases</th>
<th>Industrial Leases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class A</td>
<td>Class B</td>
</tr>
<tr>
<td>Jacksonville</td>
<td>$17.78 $15.89</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$15.16 $17.13</td>
</tr>
<tr>
<td>Mobile</td>
<td>$16.00 $10.00</td>
</tr>
<tr>
<td>Houston</td>
<td>$26.85 $20.89</td>
</tr>
<tr>
<td>Ft. Lauderdale</td>
<td>$22.05 $18.79</td>
</tr>
<tr>
<td>Raleigh</td>
<td>$20.23 $17.38</td>
</tr>
<tr>
<td>Baton Rouge</td>
<td>$18.73 $13.49</td>
</tr>
<tr>
<td>Austin</td>
<td>$31.39 $22.87</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$15.50 $11.00</td>
</tr>
<tr>
<td>Metairie</td>
<td>$20.05 $17.50</td>
</tr>
<tr>
<td>Northshore</td>
<td>$16.00 $-</td>
</tr>
</tbody>
</table>

SOURCE: SIOR Comparative Statistics of Industrial and Office Real Estate Markets

Table 3
Office and Industrial Leases in Comparison Metros 2000

<table>
<thead>
<tr>
<th>Class A</th>
<th>Class B</th>
<th>20000 sf ($/sf/Year)</th>
<th>60000 sf ($/sf/Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base</td>
<td>Taxes</td>
<td>Insurance</td>
<td>TOTAL</td>
</tr>
<tr>
<td>Jacksonville</td>
<td>$4.00</td>
<td>$0.55</td>
<td>$0.12</td>
</tr>
<tr>
<td>San Antonio</td>
<td>$3.83</td>
<td>$0.70</td>
<td>$0.07</td>
</tr>
<tr>
<td>Mobile</td>
<td>$3.00</td>
<td>$0.35</td>
<td>$0.25</td>
</tr>
<tr>
<td>Houston</td>
<td>$4.00</td>
<td>$0.55</td>
<td>$0.10</td>
</tr>
<tr>
<td>Ft. Lauderdale</td>
<td>$5.75</td>
<td>$1.20</td>
<td>$0.20</td>
</tr>
<tr>
<td>Raleigh</td>
<td>$3.75</td>
<td>$0.60</td>
<td>$0.05</td>
</tr>
<tr>
<td>Baton Rouge</td>
<td>$4.00</td>
<td>$0.30</td>
<td>$0.10</td>
</tr>
<tr>
<td>Austin</td>
<td>$5.88</td>
<td>$1.10</td>
<td>$0.12</td>
</tr>
<tr>
<td>New Orleans</td>
<td>$3.13</td>
<td>$0.60</td>
<td>$0.20</td>
</tr>
<tr>
<td>Metairie</td>
<td>$3.75</td>
<td>$0.45</td>
<td>$0.10</td>
</tr>
<tr>
<td>Northshore</td>
<td>-</td>
<td>$3.75</td>
<td>$0.60</td>
</tr>
</tbody>
</table>

SOURCE: SIOR Comparative Statistics of Industrial and Office Real Estate Markets
NEUTRAL
Business/Government Cooperation

SIGNIFICANCE

Businesses depend on government to provide infrastructure, education, and equitable tax rates. Government regulations such as planning and zoning affect business investment decisions. In Louisiana, the public bodies that provide these resources are dispersed among a host of boards and commissions. Business needs cooperation and coordination from all these entities when they expand or locate new facilities. Site selectors eliminate communities at the final stage of evaluation if they sense that governments don’t work together. Power, personality, and politics often create conflicts between jurisdictions that complicate the operations of local businesses.

- The employers we interviewed mentioned that the Parish has been responsive to requests but that none of their council representatives, mayor, or the Parish president had ever visited their premises. Some of those making this comment were major employers.

- Employers and community leaders we interviewed remarked that battles between the Parish and municipalities over annexation had created an adversarial climate that interferes with finding solutions to community problems. The majority of those interviewed expressed the view that charter government has improved the situation considerably. Many observed that annexation policy would continue to divide communities as long as they must compete against each other for sales tax revenue.

- The business and community leaders we interviewed suggested that the Parish’s support of economic development has been anemic. A vocal minority of citizens view economic development with disdain and this is factored into local politics. As one company executive remarked, “people want to live here and work somewhere else.”

- The 70 individuals that responded to our leadership survey rated annexation policy as among the 10 greatest weaknesses in the parish but rated overall government cooperation with business as a “neutral” factor.
NEUTRAL
Construction Costs

**SIGNIFICANCE**

Construction is often the most important item in the capital cost of a new plant or office. Construction costs vary significantly between communities and therefore construction costs are examined closely in site location projects as an indicator of investment and operating costs.

- Published data on construction costs shows that costs in Mandeville-Covington and Slidell are comparable to costs in Hammond, Jefferson Parish, and New Orleans (See Table 4).

- Construction costs locally are about 4 percent below Houston but slightly higher than in Mississippi. The lower sales tax on construction materials for industrial and commercial building projects in Mississippi translates to about a 4 percent cost savings over Louisiana.

<table>
<thead>
<tr>
<th>Zip Code</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Orleans, LA</td>
<td>0.80</td>
</tr>
<tr>
<td>Jefferson Parish, LA</td>
<td>0.80</td>
</tr>
<tr>
<td>Slidell, LA</td>
<td>0.80</td>
</tr>
<tr>
<td>Covington, LA</td>
<td>0.80</td>
</tr>
<tr>
<td>Baton Rouge, LA</td>
<td>0.81</td>
</tr>
<tr>
<td>Lafayette, LA</td>
<td>0.81</td>
</tr>
<tr>
<td>Houma, La</td>
<td>0.80</td>
</tr>
<tr>
<td>Hammond, LA</td>
<td>0.80</td>
</tr>
<tr>
<td>Tangapahoa, LA</td>
<td>0.80</td>
</tr>
<tr>
<td>Gulfport, MS</td>
<td>0.77</td>
</tr>
<tr>
<td>Jackson, MS</td>
<td>0.77</td>
</tr>
<tr>
<td>Pascagoula, MS</td>
<td>0.77</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>0.84</td>
</tr>
<tr>
<td>Mobile, AL</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Source: Sweets Unit Cost Guide 2003 & Street Atlas USA
Office Wages

**SIGNIFICANCE**

Labor costs are among the most critical cost factors in an office location decision. Labor is a major cost, typically accounting for 70 percent of operating costs in offices. As a result, labor costs are closely scrutinized in the site selection process. Services, including offices, are creating 94 percent of the new jobs in the USA.

- Wages tend to be uniform within regional labor markets, as workers often will drive up to 20 miles further for higher wages. Wages in the New Orleans regional labor market for benchmark positions, such as bank teller and customer service representative, are comparable to wages in other Gulf Coast markets (See table below).

- Our interviews with office employers suggest that the long commute to Jefferson and Orleans Parishes presents a significant physical barrier to St. Tammany workers. As a result of this barrier, employers often can pay wages slightly less than those in the urban core. This suggests that wages in St. Tammany are probably similar to Baton Rouge.

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Baton Rouge</th>
<th>Biloxi</th>
<th>Gulfport</th>
<th>Houma</th>
<th>Jackson</th>
<th>Lafayette</th>
<th>Lake Charles</th>
<th>Mobile</th>
<th>New Orleans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Claims Processing Clerks</td>
<td>$ 10.32</td>
<td>$ 11.28</td>
<td></td>
<td>$ 17.25</td>
<td>$ 13.96</td>
<td>$ 11.85</td>
<td>$ 11.82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receptionists and Information Clerks</td>
<td>$ 8.35</td>
<td>$ 8.96</td>
<td>$ 8.15</td>
<td>$ 9.27</td>
<td>$ 8.30</td>
<td>$ 8.62</td>
<td>$ 8.10</td>
<td>$ 8.83</td>
<td></td>
</tr>
<tr>
<td>Reservation Agents and Travel Clerks</td>
<td>$ 8.92</td>
<td>$ 8.72</td>
<td></td>
<td>$ 8.35</td>
<td>$ 8.63</td>
<td></td>
<td>$ 10.67</td>
<td>$ 12.72</td>
<td></td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>$ 7.59</td>
<td>$ 7.56</td>
<td>$ 7.27</td>
<td>$ 8.62</td>
<td>$ 7.45</td>
<td>$ 7.67</td>
<td>$ 7.86</td>
<td>$ 7.22</td>
<td></td>
</tr>
<tr>
<td>General Secretary</td>
<td>$ 10.26</td>
<td>$ 10.31</td>
<td>$ 10.00</td>
<td>$ 11.19</td>
<td>$ 9.15</td>
<td>$ 9.20</td>
<td>$ 10.21</td>
<td>$ 10.76</td>
<td></td>
</tr>
<tr>
<td>Tellers</td>
<td>$ 8.67</td>
<td>$ 8.45</td>
<td>$ 8.16</td>
<td></td>
<td>$ 7.79</td>
<td>$ 8.20</td>
<td>$ 8.38</td>
<td>$ 8.48</td>
<td></td>
</tr>
<tr>
<td>As Percent of New Orleans market</td>
<td>90%</td>
<td>93%</td>
<td>80%</td>
<td>95%</td>
<td>97%</td>
<td>95%</td>
<td>96%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Note: All wages are in US dollars per hour and are as of 2001.
**NEUTRAL**

Manufacturing Wages

**SIGNIFICANCE**

Labor costs are among the most critical cost factors in an industrial location decision. Labor is a major cost, typically accounting for 35 percent of more of operating costs in factories. As a result, labor costs are closely scrutinized in the site selection process.

- Wages in the regional labor market for manufacturing skills tend to average 5 percent less than in Houma, Baton Rouge, or Lake Charles. These communities, with a unionized workforce, tend to have higher manufacturing wages than regions, such as New Orleans, that lack a strong union presence.

- Wages in smaller Gulf Coast markets, such as Mobile and Biloxi (which includes Hancock County) tend to average 5 to 8 percent less than those in New Orleans (See table below). The regional labor market for manufacturers appears to be a neutral factor in plant locations, as wages are moderate compared to Houston yet higher than in Biloxi-Gulfport or Mobile.

### Manufacturing Benchmark Positions

($/Hour in 2001)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Baton Rouge</th>
<th>Biloxi</th>
<th>Houma</th>
<th>Jackson</th>
<th>Lafayette</th>
<th>Lake Charles</th>
<th>Mobile</th>
<th>New Orleans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricians</td>
<td>$14.70</td>
<td>$16.20</td>
<td>$16.73</td>
<td>$18.42</td>
<td>$16.22</td>
<td>$16.86</td>
<td>$14.72</td>
<td>$17.05</td>
</tr>
<tr>
<td>Industrial Truck and Tractor Operators</td>
<td>$11.28</td>
<td>$10.34</td>
<td>$17.15</td>
<td>$10.48</td>
<td>$9.94</td>
<td>$10.07</td>
<td>$10.52</td>
<td>$11.90</td>
</tr>
<tr>
<td>Laborers and Material Movers, Hand</td>
<td>$8.11</td>
<td>$9.10</td>
<td>$8.39</td>
<td>$9.06</td>
<td>$8.00</td>
<td>$8.15</td>
<td>$8.41</td>
<td>$7.67</td>
</tr>
<tr>
<td>Machinists</td>
<td>$17.23</td>
<td>$15.46</td>
<td>$13.90</td>
<td>$13.29</td>
<td>$18.29</td>
<td>$15.24</td>
<td>$15.80</td>
<td>$15.80</td>
</tr>
<tr>
<td>Truck Drivers, Heavy and Tractor-Trailer</td>
<td>$14.46</td>
<td>$12.31</td>
<td>$11.18</td>
<td>$12.68</td>
<td>$13.13</td>
<td>$13.46</td>
<td>$13.06</td>
<td>$13.06</td>
</tr>
<tr>
<td>As Percent of New Orleans market</td>
<td>105%</td>
<td>92%</td>
<td>105%</td>
<td>95%</td>
<td>94%</td>
<td>110%</td>
<td>96%</td>
<td>100%</td>
</tr>
</tbody>
</table>
NEUTRAL
Electrical Rates

SIGNIFICANCE
For some companies, especially those with a process that uses heat, utility rates can be the deciding factor in their ultimate locations. Industrial power costs vary significantly from area to area because of differences in fuel selection and regulatory policies.

- Taimerica uses published rates of the Edison Electrical Institute (EEI) to evaluate the cost of electricity for industrial and commercial projects. We supplement the EEI data by having the co-op quote rates based on the same demand and load characteristics.

- Rates in St. Tammany, for either co-op or Cleco service, are less than in Lafayette, Houston, and Corpus Christi but above rates in Mobile, Memphis, and in adjacent Hancock County, Mississippi (See Table 6).

- We rate electric rates as a neutral factor. For large industrial customers, such as Westlake Polymers at Port Bienville, rates are a critical location factor. Our assessment is that electrical rates in St. Tammany are a neutral siting factor.

<table>
<thead>
<tr>
<th>Community</th>
<th>1000 kw demand</th>
<th>5000 kw demand</th>
<th>10,000 kw demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td>Lake Charles</td>
<td>$ 30,541</td>
<td>$ 46,473</td>
<td>$ 167,219</td>
</tr>
<tr>
<td>Lafayette, LA</td>
<td>$ 23,275</td>
<td>$ 34,167</td>
<td>$ 134,781</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>$ 30,636</td>
<td>$ 46,659</td>
<td>$ 185,225</td>
</tr>
<tr>
<td>Mobile</td>
<td>$ 31,376</td>
<td>$ 41,813</td>
<td>$ 153,335</td>
</tr>
<tr>
<td>Houma-Entergy</td>
<td>$ 19,913</td>
<td>$ 26,795</td>
<td>$ 112,456</td>
</tr>
<tr>
<td>Houma-SLECA*</td>
<td>$ 30,541</td>
<td>$ 46,473</td>
<td>$ 167,219</td>
</tr>
<tr>
<td>Slidell, LA</td>
<td>$ 27,815</td>
<td>$ 40,468</td>
<td>$ 153,708</td>
</tr>
<tr>
<td>Hancock County, MS</td>
<td>$ 21,609</td>
<td>$ 29,790</td>
<td>$ 121,294</td>
</tr>
</tbody>
</table>

Source: EEI Typical Bills and Average Rates Report Summer 2001

* Memphis, Lafayette, SLECA and Co-Op rates direct from utility
NEUTRAL
Telecommunications Infrastructure

Significance

Telecommunications has become critical for modern office operations. Most of the growth opportunities in the next decade will locate in communities with high-speed telecommunication infrastructure that supports broadband service. Sophisticated IT operations need access to the fiber optic trunk infrastructure to support data intensive functions.

- Eastern St. Tammany Parish has access to the national fiber optic infrastructure. Each of the major communications companies has installed capacity that crosses the parish in Slidell (see map on next page).

- The balance of the Parish has limited access to high-speed broadband capacity. The central portion of the parish, where new commercial and industrial growth is most likely, is not served with a fiber infrastructure.
WEAKNESS
National Market Access

SIGNIFICANCE
Logistics costs are an important component of operating costs in factories that produce consumer products and bulky industrial materials such as plastic pipe and sheet. The majority of new factory operations are still located in the center of their markets because of logistics considerations and site consultants normally narrow the region of operations before looking at specific sites and cities. Market access is measured with transportation cost models that estimate logistics costs for national, regional, and multi-state territories. These models are supplemented with comments and observations of area employers.

- Companies that require cost-efficient access to national markets are at a competitive disadvantage throughout South Louisiana, including St. Tammany Parish (See figure below).

- St. Tammany’s position for serving national markets is less advantageous that Atlanta or Cincinnati (See figure at right). The Proctor and Gamble project under construction in Lacombe is an exception however, as this particular project also requires rapid access to the company’s roasting plant in New Orleans.

- Unless a distribution operation involves consolidation of production from a series of manufacturing plants, as with Proctor and Gamble, the region is not as cost competitive for these targets are Jackson, Dallas, or Atlanta. Opportunities to serve as expansion sites for statewide warehouse and distribution operations
Strategic Plan for Economic Development in St. Tammany Parish

now located on the Southshore will continue as the best warehouse opportunity for St. Tammany.
WEAKNESS
Business Park Supply and Prices

SIGNIFICANCE
Building and operating a factory or office is a major cost factor in most projects. Site selectors evaluate office and industrial lease costs and availability when selecting locations for factories and offices since the costs can vary substantially from area to area.

- St. Tammany Parish has less than 40 acres of business park land for sale. None of the business park sites are designed to accommodate a 60,000 square foot building, the average size in the U.S. market.

- Prices for business park space in St. Tammany, on a square foot basis, are almost twice as expensive as in Atlanta, Dallas, Houston, or Charlotte (See figure below). The price differentials cannot be explained by differences in construction or raw land costs as such factors suggest that prices should be higher in these larger metro areas.
• Companies and leaders we interviewed consistently mentioned a lack of prepared sites as a major impediment to economic development in the parish.

• The 70+ leaders that responded to our survey rated fully served industrial sites as one of the 5 most significant weaknesses in the Parish and the price of such sites among the 15 most significant weaknesses in the Parish.
WEAKNESS
Supply of Warehouse, Flex and Office Space

SIGNIFICANCE
Our experience in private site selection reveals that 60 to 80 percent of office, warehouse and manufacturing projects search for an existing building. Shell or turnkey speculative buildings are very important to the success of warehouse and technology projects. Vacant office space of the right floor plate and with adequate parking is the baseline requirement for most office projects.

- Approximately half of the major employers we interviewed have needs for additional space. Few had found viable options for expansion in St. Tammany Parish.

- Office employers desire an inventory of vacant space that can be configured for their needs. The supply of space to accommodate a moderate size headquarters (over 10,000 square feet) does not exist in St. Tammany Parish. Although space this large becomes available sporadically, the market does not often offer viable options.

- The 70 individuals completing our leadership survey rated available office space overall as a weakness.
WEAKNESS
Tax Rates

SIGNIFICANCE
States and communities often tax assets, inventories, sales, net income and purchases of supplies, power and consumables (other than raw materials). Business tax policies vary greatly between communities and state taxes and incentives increasingly determine the winners in the ultimate round of location studies. Tax rates, particularly on buildings, equipment, and inventories, can be the most critical location factor in warehousing and distribution activities.

• Property and sales tax rates in St. Tammany Parish are among the highest in Louisiana (See table at right).

• Property tax rates are an important location factor for warehouse operations. Tax rates in adjacent locations (Tangipahoa Parish and Hancock County, Mississippi) are about half those in St. Tammany.

• Property tax rates are also a screening factor for retirement communities. Retirement developers look for stable and moderate property and sales taxes, as their clients exist on fixed incomes.

<table>
<thead>
<tr>
<th>Tax Rate Comparisons</th>
</tr>
</thead>
<tbody>
<tr>
<td>St. Tammany &amp; Gulf Coast Cities</td>
</tr>
<tr>
<td>Data for business taxpayers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent or $1/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
</tr>
<tr>
<td>----------</td>
</tr>
<tr>
<td>St Louis</td>
</tr>
<tr>
<td>Tulsa</td>
</tr>
<tr>
<td>Mobile</td>
</tr>
<tr>
<td>Biloxi-Pascagoula</td>
</tr>
<tr>
<td>Houston</td>
</tr>
<tr>
<td>Lafayette</td>
</tr>
<tr>
<td>Lake Charles</td>
</tr>
<tr>
<td>East Baton Rouge</td>
</tr>
<tr>
<td>Livingston Parish</td>
</tr>
<tr>
<td>Houma</td>
</tr>
<tr>
<td>New Orleans</td>
</tr>
<tr>
<td>Slidell</td>
</tr>
<tr>
<td>Hammond</td>
</tr>
<tr>
<td>Hancock Co, MS</td>
</tr>
</tbody>
</table>

Source: Compiled from web sites and phone calls
WEAKNESS
Water and Wastewater Rates and Capacity

SIGNIFICANCE
Lack of available water and sewer capacity can be immediate "knock out" factors for many companies during the site selection process. Water availability is particularly important to such industries as food processing, chemical industries, chip manufacturing, and electronics, and sewer capacity is important to all types of industries and businesses. Availability of excess water and sewer capacity are also an indicator of a community’s readiness for economic development.

- The majority of wastewater treatment capacity in St. Tammany Parish is privately owned. Private owners do not size their facilities for growth and therefore have limited capacity to accommodate new users without significant capital investments.

- Only the Slidell system has adequate capacity to accommodate a modern business park development (See table at right). As permitting and construction of utilities requires an extensive amount of time, the lack of utility service is a major barrier to any form of economic development in the Parish.

- The majority of community leaders that responded to our survey rated the availability of adequate water and wastewater capacity as among the 10 most significant development issues in the Parish.

- Private utility companies require users to supply capital for expansion of systems. The added capital expense for doing business in St. Tammany Parish is a barrier for food processing companies and

<table>
<thead>
<tr>
<th>Water &amp; Sewer Capacity in St. Tammany 2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Daily Flow (MGD)</strong></td>
</tr>
<tr>
<td>--------------------------------</td>
</tr>
<tr>
<td>Municipal Systems</td>
</tr>
<tr>
<td>Slidell</td>
</tr>
<tr>
<td>Covington</td>
</tr>
<tr>
<td>Mandeville</td>
</tr>
<tr>
<td>Abita Springs</td>
</tr>
<tr>
<td>Pearl River</td>
</tr>
<tr>
<td>Madisonville</td>
</tr>
<tr>
<td>Folsom</td>
</tr>
<tr>
<td>Large Private Systems</td>
</tr>
<tr>
<td>Arrowwood</td>
</tr>
<tr>
<td>Beau Chene</td>
</tr>
<tr>
<td>Greenleaves</td>
</tr>
<tr>
<td>Highway 22</td>
</tr>
<tr>
<td>Westwood</td>
</tr>
<tr>
<td>Cross Gates</td>
</tr>
<tr>
<td>Eden Isles</td>
</tr>
<tr>
<td>Kingpoint</td>
</tr>
<tr>
<td>Whisperwood &amp; Northwood</td>
</tr>
</tbody>
</table>

*MGD=Millions gallons/day
Source: Parish Utility Study 2002
larger office and warehouse operations.

- The monthly cost of privately supplied sewer and water is above the costs in adjacent communities (See Table below). For companies with significant utility requirements, St. Tammany Parish is not a viable option at present.

<table>
<thead>
<tr>
<th>Community</th>
<th>System Dev Fee ($)</th>
<th>Water ($)</th>
<th>Sewer ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hancock Co MS</td>
<td>$ -</td>
<td>$ 2,440</td>
<td>$ 2,721</td>
<td>$ 5,161</td>
</tr>
<tr>
<td>Jefferson-Eastbank</td>
<td>$ -</td>
<td>$ 3,120</td>
<td>$ 2,277</td>
<td>$ 5,397</td>
</tr>
<tr>
<td>New Orleans</td>
<td></td>
<td></td>
<td></td>
<td>$ 7,050</td>
</tr>
<tr>
<td>Slidell</td>
<td>$ 5,100</td>
<td>$ 3,795</td>
<td></td>
<td>$ 8,895</td>
</tr>
<tr>
<td>Covington</td>
<td>$ 3,510</td>
<td>$ 4,410</td>
<td></td>
<td>$ 7,920</td>
</tr>
<tr>
<td>Mandeville***</td>
<td>$ 26,136</td>
<td>$ 1,500</td>
<td>$ 5,964</td>
<td>$ 7,464</td>
</tr>
<tr>
<td>Hammond</td>
<td>$ 4,170</td>
<td>$ 4,604</td>
<td></td>
<td>$ 8,774</td>
</tr>
<tr>
<td>Slidell outside city limits</td>
<td>$ 6,900</td>
<td>$ 5,445</td>
<td></td>
<td>$ 12,345</td>
</tr>
<tr>
<td>Ponchatoula</td>
<td>$ 2,250</td>
<td>$ 2,756</td>
<td></td>
<td>$ 5,006</td>
</tr>
<tr>
<td>Southeastern Utilities+</td>
<td>$ 232,500</td>
<td>$ 6,309</td>
<td>$ 3,017</td>
<td>$ 9,326</td>
</tr>
<tr>
<td>Utilities Inc</td>
<td>$ 357,650</td>
<td>$ 4,800</td>
<td>$ 6,386</td>
<td>$ 11,186</td>
</tr>
</tbody>
</table>

*Up front nonrefundable fee
** Daily use of 100,000 gallons of water and 55,000 gallons of sewer
*** Impact fee of $.02/sf for water and $.02/sf for sewer on a 15 acre parcel
  + Fee of $1.50/daily gallon on water and $1.50/daily gallon on sewer as currently charged
WEAKNESS
Traffic Congestion

SIGNIFICANCE
Adequate highway capacity is important for two reasons. First, it impacts a company’s ability to ship and receive goods in a timely and cost-effective manner. Second, it influences a company’s ability to attract and retain employees, since ease of commuting is directly related to highway congestion. Location consultants find that many companies desire to be immediately adjacent to an interstate highway or a good four-lane highway. Nissan’s new project in Canton Mississippi is an example. The State of Mississippi built a new interchange on I-55 to provide direct interstate access. Nissan has expressed concerns during the strategic planning process in Madison County about the level of traffic congestion and the difficulty that workers face in their daily commutes to the plant. Traffic congestion is also affected by the level of affordable housing in a community. Communities that lack an adequate low and moderate income housing place a burden on highways as workers in offices and warehouses must commute long distances and cannot live close to work.

- Employers we interviewed universally mentioned traffic congestion as an operational issue.

- Community leaders we interviewed indicated that traffic congestion is the most significant weakness of St. Tammany Parish for economic development.

- Our survey of 70 community leaders rated traffic movement and traffic carrying capacity of local streets as the two most significant issues for economic development in St. Tammany Parish.

- The reduction of traffic in congested corridors, such as Gause Boulevard in Slidell and Highway 190 between I-12 and Covington, require new interchanges and the upgrade of alternative routes. Although such improvements have been contemplated for the last 20 years, the Louisiana Department of Transportation and Development has not placed a high priority on these improvements. Since most of the major arterials in the parish are state highways, parish and local officials cannot control the timing of improvements.
WEAKNESS
Affordable Housing

**SIGNIFICANCE**

Site selectors avoid sites where the majority of workers face long commutes. It is simply easier to select a site near the workers. Besides affecting turnover and absenteeism, long commutes create highway congestion. This aggravates the movement of finished products and materials by highway, which disrupts operations and lower productivity.

- Community leaders mentioned the lack of affordable housing for entry-level employees as a barrier to economic growth in St. Tammany Parish.

- Retailers and personal service firms mention that a lack of affordable housing is a labor recruitment issue for their companies.

- Some of those firms we interviewed mentioned that some companies offer van service to the Southshore and to Hancock County to enhance their recruitment of entry-level workers.

- Our survey of 70 community leaders rated the availability of low-income housing as among the 10 most serious problems for economic development in St. Tammany Parish.

- Published statistics suggest that the average house price in Slidell and Mandeville is not as affordable for the majority of working families in the region as in nearby communities (See table below).

<table>
<thead>
<tr>
<th>Housing Affordability in New Orleans, Slidell, Covington, and Baton Rouge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metro Area</strong></td>
</tr>
<tr>
<td>New Orleans, LA</td>
</tr>
<tr>
<td>Biloxi-Gulfport, MS</td>
</tr>
<tr>
<td>St. Tammany</td>
</tr>
<tr>
<td>Baton Rouge, LA</td>
</tr>
<tr>
<td>NATIONAL</td>
</tr>
</tbody>
</table>

Source: National Association of Homebuilders; Index for St. Tammany calculated using their method
WEAKNESS
Zoning and Permitting

SIGNIFICANCE
Local governments must have a vision of future infrastructure requirements if they are to have ample time to raise capital and make improvements. Communities that lack comprehensive plans are reactive in meeting infrastructure needs, which guarantees rising tax requirements on business in the future. Conditional permitting and spot zoning address growth issues by making the capital investment and timing of private projects unpredictable and risky. Site selectors prefer communities where traffic congestion and infrastructure constraints are known and being addressed in a systematic manner.

- Community leaders mentioned frequently that the conditional use permits used by the Parish were an obstacle to attracting outside investment, since developers cannot predict in advance, with any degree of accuracy, their construction and site preparation costs.

- The conditional use system is also time-consuming, which adds an additional layer of cost to building in St. Tammany Parish.

- The lack of long range planning was rated as a weakness by the majority of respondents to the leadership survey as was the local permitting system.
WEAKNESS
Conference & Meeting Facilities

**SIGNIFICANCE**

Companies need meeting facilities for company wide sales and marketing meetings, for strategy session, for off-site training and for occasional gatherings of customers or suppliers. Although such gatherings are too rare to warrant on-premise construction, businesses need convenient access to such facilities.

- Corporate headquarters in St. Tammany Parish report a lack of adequate conference and meeting space for training and corporate events.
- The majority of community leaders that responded to our survey also listed the lack of conference and meeting facilities as a barrier to economic growth in St. Tammany Parish.
WEAKNESS
Support for Economic Development Programs

**SIGNIFICANCE**

Economic development doesn’t happen by chance. Communities must develop visions of the future and then raise capital and build infrastructure and facilities to accommodate business. Promotion and marketing to business is also needed, except for communities near Chicago, New York, Los Angeles (the largest urban centers in the USA) with an abundance of corporate headquarters. Both the public and private sectors must contribute the resources to achieve the aims of an economic development vision.

- Community leaders frequently mentioned that neither the public nor private sector gives strong financial support for economic development programs.

- Community leaders mentioned that the lack of a vision and strategy for economic development makes private investors reluctant to make additional investments in the Parish’s economic development program.

- Those interviewed noted that the chambers of commerce and EDF work well together without any overlap of services or conflict in programs.

- Industrial marketing and retail development programs were rated as among the 10 most significant weaknesses of the Parish by those responding to the leadership survey.
V. Target Industries for Growth and Development in St. Tammany Parish

Introduction

In the past, economic development programs relied almost exclusively on business recruitment strategies. Practitioners have learned over the last decade to consider existing business growth and startup businesses as potential targets. The locational landscape is changing rapidly for developers: technology is creating a growing share of the new jobs in the US economy; new government programs like Homeland Security offer new opportunities; manufacturing has dropped to just six percent of the new jobs in the country, while producer and consumer services are creating over 90 percent of the new basic jobs in America; and a growing number of affluent retirees offers an unparalleled opportunity for nontraditional economic development. Our report gives St. Tammany leaders a comparison of how these opportunities compare, in terms of market size and growth rates, to new industry targets. We also discuss the opportunities created by the relocation of offices and warehouses from the urban core of New Orleans, as this strategy has been employed in the past in suburban parishes. The report concludes with profiles of the businesses that are best matched to the locational assets of St. Tammany Parish.

Economic Development in a Changing World

For decades, southern communities grew a manufacturing economy by selling low labor costs to headquarters in the Midwest and East. Economic development strategies that copy past successes have grown less effective because of structural changes in the global economy, however. Opportunities to copy the past have vanished as companies now locate low cost labor facilities in Asia or Latin America. To succeed, the St. Tammany strategy must anticipate structural changes occurring within a “new” economy over the next decade. Taimerica catalogued seven of the most significant trends in the March workshop, which are summarized here:

Global Economy St. Tammany is part of a borderless economy that functions with a constant flow of currency, information, and technology. Location activity in North America now consists of offshore corporations building domestic capacity to serve U.S. markets while U.S. multinationals are building offshore capacity in emerging markets.

E-Manufacturing The integration of the Internet into corporate activity has transformed manufacturing. The flexibility and speed of the Internet platform allows for flexible manufacturing, mass customization, outsourcing, strategic alliances, and
supply chain management techniques built on better corporate and marketing information.

**Faster Product Cycles** The speed and flexibility enabled by the Internet has produced shorter product cycles that affect location decisions. Communities need faster response times to location proposals and must have trained workers, zoning, and facilities available waiting to respond to corporate requests.

**Knowledge-Based Economy** The global economy is becoming digital and interconnected via the Internet. Since the U.S. leads the world in information technology, many of the best opportunities for community diversification are in the I.T. sector. Telecommunications infrastructure and trained software workers are emerging as critical location factors.

**Services** The preponderance of new jobs in the U.S. (94%) over the next decade will occur in services, not in manufacturing. Jobs in computers, personnel, management consulting, health, and professional services will predominate. Many of these jobs offer high wages. Consequently, quality of life factors become more influential in location decisions.

**Small Business Dominance** Most new jobs in the decade will be created by small businesses, but only by a small percentage of small firms termed “gazelles”. Enabling these firms to emerge and grow in St. Tammany Parish is an important component in the economic development strategy.

**Retooled Workforce** The New Economy has restructured the corporate workforce. Companies have an increased demand for technical and professional skills, such as engineering and computer programming. Companies seek locations with pools of college-trained workers that also offer continuing education opportunities. The ability to recruit and retain technicians and professionals has grown in importance as a location factor.

**Quality of Life** A community’s quality of life is now critical in corporate locations. Among the factors that are important are the availability of quality housing at reasonable costs, a sound public education system that produces graduates with strong basic skills, colleges and university to produce technical workers, low crime rates, good medical and retail services and a broad range of cultural and recreational opportunities, supported by a transportation system that allows good traffic flow without congestion.

**Growth and Future Development of Existing Clusters**

A significant share of future jobs in the Parish will stem from growth of existing businesses or from the creation of new businesses by local entrepreneurs. The growth prospects of existing business clusters are described first as they are the mainstay of
future growth (See Table 2 in this section). National forecasts suggest that the Parish continues to have strong growth opportunities in its medical and publishing & communications clusters. Future growth prospects in regional retailing and subdivision and construction are strong, provided that regional population and sub urbanization in this decade mirror trends in the 1990's.

Corporate Headquarters

While St. Tammany has excellent talent for corporate headquarters, the market is shrinking. Our analysis of Dun & Bradstreet data from 1997 and 2003 suggests that the number of headquarters operations shrank nationally by 5,000 (about 2 percent). While the total number of headquarters companies shrank, facilities with more than 100 employees actually grew by 4,000 over the same period, probably from consolidation of smaller headquarters.

The lack of an airport hub near St. Tammany weakens the possibility of attracting national headquarters. The Parish has recently witnessed the relocation of three significant corporate headquarters from Jefferson Parish. Headquarters for companies

<table>
<thead>
<tr>
<th>Employment Size</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;25</td>
<td>123</td>
</tr>
<tr>
<td>25-100</td>
<td>100</td>
</tr>
<tr>
<td>100-500</td>
<td>75</td>
</tr>
<tr>
<td>&gt;500</td>
<td>51</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>-15</strong></td>
</tr>
</tbody>
</table>

Source: Computed from D&B Marketplace

t hat have the majority of their operations within the Gulf South, such as these recent relocations, are the best headquarters targets for the parish. The competitors for these offices are Mobile, Houston, Baton Rouge, and Jackson. The Gulf South has added about 30 offices per year with 100+ employees over the last half decade (See table below). These numbers suggest that a niche strategy oriented to such targets offers a significant potential for the region.

Homeland Security Offices

The new Homeland Security agency is a $40 billion organization with 160,000 employees. The employees at Homeland Security have been transferred from the FBI, Department Of Defense, National Institutes of Health, Customs, Immigration and Naturalization Service, Coast Guard, and the Federal Emergency Management Agency.
The FY 2004 budget request is based on hiring an additional 60,000 employees over the next fiscal year. Homeland Security has a fourfold mission:

- protecting, in conjunction with local and state law enforcement, the infrastructure in the US;
- developing intelligence on terrorist activities;
- developing science and technology for detection, prevention, and protection against terrorist attacks from chemical, biological, radiological, and nuclear weapons;
- securing the nations’ borders and ports and administering its immigration and customs laws;
- reacting to national emergencies.

This new organizational structure will need new regional, district, and national offices. Since many of the department’s employees are at border and port sites, the new regional headquarters might be located away from inland hubs such as Atlanta and Dallas. St. Tammany Parish has opportunities to attract district and regional administrative, control, and data functions for homeland security. The need for large land sites for security buffers suggest that suburban locations might be the preferred site for homeland security offices. Our analysis on this topic is tentative, however, as the Homeland Security Department has not yet established its location parameters for regional or district offices.

**Technology and Related Targets**

Although technology companies accounted for just 8 percent of the nation’s workforce in 1990, they created two-thirds of the nations’ jobs during the decade. Technology companies, based on commercializing science, are a key component of a modern targeting strategy. Our recent research demonstrates that private sector R&D, which is much larger in terms of budgets and staffing, generates far more startup companies and technology opportunities than research at universities or government labs.

The first step in a technology assessment is to list the technology magnets in a region. These are the major R&D institutions that are patenting new inventions. Tulane University’s National Primate Center is St. Tammany Parish’s only R&D operation. The Tulane center does contract testing for other entities and therefore produces few commercial inventions. The Parish, like the metro area, has no large corporate R&D centers. Academic centers and government labs are the largest science-based establishments in the region. Two of these are of particular interest to St. Tammany Parish. The USDA’s Southern Lab in New Orleans, one of only four USDA labs nationwide, is a potential source of talent and ideas for commercial companies. In the past, the Southern labs commercialized permanent press cotton, for instance.

The largest R&D operation between Huntsville and Houston is the Stennis Space Center. Stennis has an annual budget that dwarfs the combined totals of Louisiana’s major research universities (See Figure 1). Stennis has some global scale research strengths.
outside of its NASA mission. Stennis is headquarters for the Naval Meteorology and
Oceanography Command, an operation with $329 million of annual budget authority
and a major oceanographic research lab on-site. Stennis also is just one of four areas in
the United States (the others are Boulder-Colorado Springs, Huntsville, and
Washington, D.C.) with a concentration of remote sensing and geographic information
systems activities.

Core Technologies for Emphasis in St. Tammany Parish

Our recent research on the subject of technology demonstrates that the top 20 percent of
metro areas generate 80 percent of the nation’s technologies. To sustain a technology
cluster, a community must have the ability to build a concentration of activities related
to the technology. It is better to build on an existing technology than to start from
scratch with a novel one. Here are Taimerica’s recommendations based on our
assessment:

Oceanography Related Activities

Besides having a concentration of oceanography R&D activities, the region has a strong
position in academic research in the field. Both USM and LSU are among the largest
graduate programs in oceanography in the U.S. (See Table 2). This produces both a
large talent pool and a reservoir of ocean-related technologies in the region that are a
significant resource for technology growth.

Oil and Gas Technologies

St. Tammany Parish has a concentration of individual patents in the area of mining
technologies (See our discussion in the economic base report). It also has a
concentration of companies that provide services and products for offshore oil
exploration and production. This is a technology that, combined with oceanography,
offers another area for technology development. A lot of national research is now
focused on alternative energy sources, such as fuel cells, and other niches related to
energy production.

Geographic Information Systems and Remote Sensing

Although the high volume consumer market for remote sensing imagery and
geographic information is limited, a significant and growing market of business-to-
business and business-to-government markets exist for this data. Management
consulting business opportunities in this area are the expected target niche for St.
Tammany Parish.
Homeland Security

The new Department of Homeland Security represents the largest new federal R&D effort since the initiation of the space program. The department will need assistance from private contractors in information technology, as well as in technologies related to the detection, prevention, and protection against terrorist attacks from chemical, biological, radiological, and nuclear weapons. St. Tammany Parish is an excellent site for the launch of private facilities and government labs needed for the technology mission of Homeland Security. One of the Parish's major employers, Tulane National Primate Center, is expanding its employment to meet the demand for animal testing by research consortia engaged in homeland defense countermeasures.

Regional Wholesaling

St. Tammany Parish has attracted many small regional wholesalers over the last decade from Jefferson and Orleans Parish in residential construction materials. St. Tammany Parish is the majority of the regional market for these materials and therefore a logical location.

Industrial distributors, a significant share of the regional warehouse market, have markets that extend beyond the boundaries of a metro area. These companies look for buildings that are central to customers throughout their market, typically within 100 miles of the warehouse. For companies within the “oil patch” or petrochemical corridor, St. Tammany Parish offers good access.

Much of the space in the New Orleans market is for storage of coffee or other commodities exported or imported through regional ports. The majority of the space, however, is for local delivery of products within the metro area. For these uses, St. Tammany Parish is not well situated. Elmwood center in Jefferson Parish has a population of 775,000 within a 10-mile radius versus just 74,000 for Slidell or 65,000 in Covington. The likely targets for warehouse locations in St. Tammany are companies supporting the offshore or industrial customers within a 100-mile radius of the parish (See Figure 1 in this section).

Active Adult Retirement Communities

A graying and increasingly affluent population in the United States offers many opportunities for economic growth. A cadre of specialized developers, such as Del Webb Corporation and Watermark Communities, specialize in building communities that appeal to this housing niche. Much, if not the majority, of retirees that relocate to a new home are attracted to the adult retirement concept. This target offers an opportunity to attract relatively affluent consumers to St. Tammany Parish. This target
also is in a national growth mode. The following four demographic trends illustrate the economics behind this target:

- About 56 million Americans were 55 or older in 1997 and that number will hit 75 million in 2010;
- 45 percent of baby boomers expect to move to another home in retirement and 23 percent say they will move out of state.
- The national market demand for active adult retirement housing was 400,000 units in 1999 and is expected to grow to 700,000 units in 2002. The demand is growing quickly for active retirement housing.
- Active retirement housing is priced between $100,000-$250,000, which is within the realm of economic feasibility in St. Tammany Parish.

Taimerica has obtained a site evaluation checklist used by a national developer of active retirement homes. Of the twelve factors which national developers use to evaluate potential sites, St. Tammany Parish scores highly on 11 of the 12 factors (See Table 3).

It is difficult to compare the economic benefits of an active adult retirement community directly with other target industries in the absence of an economic impact report for a particular project. Impact statements for projects in Phoenix (a much larger regional economy with higher multipliers than found in the New Orleans region) suggests that a project with 6,500 units creates, at full occupancy, about 1.7 jobs per unit. If these numbers are accurate for the New Orleans region, the potential jobs impact is significant. Market forecasts suggest a national demand for about 700,000 units per year, which translates into about 1.2 million jobs created by active adult retirement communities. Since the typical project consists of 415 units, the demand translates into about 1,700 projects per year.

### The Target Industry Identification Process

The majority of relocation and startup opportunities can be targeted using our sophisticated target industry identification process.

Taimerica's Target Industry Identification Process (TIP) is basically an elimination process, eliminating those industries that do not meet the criteria for the marketing effort. The general industry categories for St. Tammany Parish were:

- Manufacturing, with a particular emphasis on light industry
- Headquarters and administrative offices
- Technology companies other than Stennis and Homeland Security opportunities

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6 Urban Land Institute Developing Active Adult Retirement Communities, 2001
7 ibid, p. 28
The following steps were taken to identify the target businesses most appropriate for St. Tammany Parish’s targeted marketing effort:

1. Ranked nearly 800 four-digit SIC industries according to rate of change in employment & number of establishments using the time period from 1997 to 2003 (from our D&B derived database).
2. Eliminated industries when forecasts suggest a decline or slow growth in new jobs or facilities over the next 10 years.
3. Eliminated those industries that had average wages in 2000 significantly below the average wage in St. Tammany Parish.
4. Eliminated those industries that have been declining or static in the Five State Region (Texas, Louisiana, Arkansas, Mississippi and Alabama).
5. Eliminated those industries that, in the consultant’s judgment, were unlikely candidates for St. Tammany Parish based on other location factors.

After the initial screening, Taimerica developed a matrix of additional screening factors that matched industry requirements with the strengths and weaknesses of St. Tammany Parish (See Table 4 in this section).

A bubble chart that shows the relative size of each target, along with its recent growth and forecast growth is shown in Figure 3.

A detailed profile of each of the target industries follows Figure 2 in this section.

Manufacturing Targets

SIC 2434 Wood kitchen cabinets

Companies in the wood products industry cluster geographically. Yet Louisiana has done little to promote the formation and growth of this industry, which has raw material advantages in the state. This industry offers the state opportunities to add value to its agricultural and forestry materials. Wood cabinet companies serve regional markets. With new wood-polymer composite materials, cabinets are increasingly made in factory settings for regional markets. The industry is growing with commercial and residential construction in the two-state market. Over the last decade, the cabinet industry has added about 110 new plants per year. Employment is up around 15 percent also. Growth in the Mississippi-Louisiana market will stimulate future growth within this sector. The wood-polymer composite sector is a more sophisticated technology than traditional job shops.
SIC 3448 Fabricated Metal Buildings

Metal building companies serve regional markets. The industry made substantial inroads into export markets in the 1990's. Louisiana has seen more employment growth in this industry than most others during the last 6 years. Wages and productivity of the manufacturing workforce are important location factors and St. Tammany has a good situation to sell.

SIC 3842 Surgical Appliances and Supplies

Surgical appliances and supplies have to be produced in FDA-certified plants. As the record keeping and quality control standards in these plants are sophisticated, wage levels tend to be high and workers tend to be better educated than in many manufacturing operations. Moderate wage costs and worker productivity are important to plant productivity.

Office and Service Targets

About 94 percent of national employment growth during the 1990's was in service occupations, which includes office operations. This trend is expected to continue during the current decade.

SIC 4812 & 4813 Communications

The telecommunications industry has been one of the fastest growing sectors of the US economy over the last 5 years. The birth of the Internet and the growth of wireless technology have stimulated job and company formation. These operations typically seek low-wage locations. St. Tammany Parish has an excellent resource for opening doors in this rapidly growing industry. Future growth in telecommunications insures that this industry offers one of the best prospects for future growth in the Parish.

SIC 7371-79 Information Technology

Information technology has been the fastest growing sector of the U.S. economy for the past decade. Info tech companies are attracted to large talent pools of trained workers but a sizeable share of the metro areas throughout the US have seen growth in this sector. Although St. Tammany has a small talent pool for its size, the area is attractive for relocations. Major government projects, such as the Navy Finance Center at UNO and the expansion of the USDA’s national finance center stimulates the local market for info tech services. Lafayette and Baton Rouge each have nearly twice the amount of IT production as St. Tammany and they face similar locational constraints. Tamerica
believes that this sector offers future opportunities to the community for attraction or for startups by local entrepreneurs.

**SIC 7389 Misc. Business Services**

This category includes companies involved with inspection and testing, reservations, maps and geographic information systems. The industry has grown briskly over the past 5 years and forecasts suggest that robust growth will continue over the next decade. St. Tammany has a good talent pool for this category plus it has an attractive quality of life for recruiting through national searches.

**SIC 8099 Misc. Medical Services**

This category includes companies that specialize in physical examination and blood services, among others. These services often have a large market as they rely on referrals from other health care providers.

**SIC 8741 Misc. Management Services**

This category differs from consulting in that companies in this SIC actively manage the businesses of others. Examples include companies that manage hotels, hospital and nursing homes for passive investors. The category has the same locational needs as management consulting.

**SIC 8742-48 Business Consulting**

This category includes businesses that offer specialized advice to other businesses or governments for a fee. Business consultants do not actively manage the businesses of others, however. This category needs a deep talent pool of business professionals with significant industry experience and growing regional markets.

**Back offices**

Back offices consist of administrative units removed from corporate headquarters. The functional offices within this target may consist of any of the following:

- Data processing
- Claims processing
- Subscription processing
- Call centers
  - Technology support
  - Customer service
  - Reservations
  - Catalog fulfillment
The back office sector cannot be classified by SIC code because it cuts across many classifications. Much of the recent activity in back offices has occurred in SIC 73 - Business Services. Back offices have generated around 1.8 million new jobs over the last 5 years, perhaps 5 times the growth in manufacturing.

Forecasts suggest that the opportunity to attract office operations will continue in the future. The back office sector has generated around 700 new facilities per year over the last half decade. Louisiana has had great success recently with the back office sector as Baton Rouge and New Orleans each have attracted numerous large announcements over the last 5 years in this industry. Projects are labor intensive, generating an average employment of 183 persons.

### TABLE 1

<table>
<thead>
<tr>
<th>SIC</th>
<th>SIC Name</th>
<th>Est</th>
<th>Emp</th>
<th>LGQ</th>
<th>Salary($/Yr)</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2000</td>
<td>2002</td>
</tr>
<tr>
<td>3132</td>
<td>Ship &amp; Boat Building</td>
<td>10</td>
<td>440</td>
<td>87%</td>
<td>29,588</td>
<td>L</td>
</tr>
<tr>
<td>130</td>
<td>Ornamental nursery products</td>
<td>15</td>
<td>159</td>
<td>206%</td>
<td>21,164</td>
<td>NA</td>
</tr>
<tr>
<td>4121</td>
<td>Grass and field seeds</td>
<td>3</td>
<td>59</td>
<td>161%</td>
<td>36,712</td>
<td>NA</td>
</tr>
<tr>
<td>2272</td>
<td>Horses and other equines</td>
<td>11</td>
<td>52</td>
<td>389%</td>
<td>20,852</td>
<td>NA</td>
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<tr>
<td>742</td>
<td>Veterinary services, specialties</td>
<td>54</td>
<td>336</td>
<td>210%</td>
<td>NA</td>
<td>NA</td>
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<tr>
<td>752</td>
<td>Animal specialty services</td>
<td>49</td>
<td>150</td>
<td>218%</td>
<td>16,844</td>
<td>NA</td>
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</tbody>
</table>

### Key to Growth Forecast
- T = annual employment growth > 2.0%
- H = annual employment growth between 1.3-2.0%
- M = annual growth between 0-1.3%
- L = declining employment

---

Tamerica Management Company 96
FIGURE 1

Profile of Research Budgets in 2000

TABLE 2

<table>
<thead>
<tr>
<th>Field</th>
<th>LSU</th>
<th>LSU HSC</th>
<th>Tulane</th>
<th>UNO</th>
<th>Xavier</th>
<th>USM</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$172</td>
<td>$56</td>
<td>$89</td>
<td>$23</td>
<td>$4</td>
<td>$17</td>
<td>$361</td>
</tr>
<tr>
<td>Engineering</td>
<td>$29</td>
<td>$56</td>
<td>$7</td>
<td>$7</td>
<td>$12</td>
<td></td>
<td>$48</td>
</tr>
<tr>
<td>Environmental Sci.</td>
<td>$30</td>
<td>$56</td>
<td>$89</td>
<td></td>
<td>$4</td>
<td>$17</td>
<td>$37</td>
</tr>
<tr>
<td>Oceanography</td>
<td>$18</td>
<td>$56</td>
<td>$7</td>
<td></td>
<td>$6</td>
<td>$24</td>
<td>$24</td>
</tr>
<tr>
<td>Computer Sci.</td>
<td>$2</td>
<td>$56</td>
<td>$7</td>
<td></td>
<td>$6</td>
<td>$24</td>
<td>$24</td>
</tr>
<tr>
<td>Life Sci.</td>
<td>$90</td>
<td>$56</td>
<td>$70</td>
<td></td>
<td>$1</td>
<td>$1</td>
<td>$219</td>
</tr>
</tbody>
</table>

Source: National Science Foundation Academic Institution Profiles online
## TABLE 3

### Location Factors for Active Retirement Projects

<table>
<thead>
<tr>
<th>Location Factor</th>
<th>Target</th>
<th>St. Tammany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to significant employment cores</td>
<td>&lt; 1 hour from a metro area</td>
<td>X</td>
</tr>
<tr>
<td>Access to major highways</td>
<td>&lt; 5 minutes from interstate or major (4 land) highway</td>
<td>X</td>
</tr>
<tr>
<td>Drive time to major airport</td>
<td>&lt; hour to a major airport</td>
<td>X</td>
</tr>
<tr>
<td>Quality of surrounding land and natural resources</td>
<td>Above-average scenery (mountains or water)</td>
<td>X</td>
</tr>
<tr>
<td>Climate</td>
<td>Four-season activity possible</td>
<td>X</td>
</tr>
<tr>
<td>Presence of historic charm or local character</td>
<td>Regional flavor manifest in built environment</td>
<td>X</td>
</tr>
<tr>
<td>Tourist destination</td>
<td>Local features that draw significant visitors</td>
<td>X</td>
</tr>
<tr>
<td>Presence of social and cultural outlets</td>
<td>Above average regional arts and music</td>
<td>X</td>
</tr>
<tr>
<td>Proximity to shopping facilities</td>
<td>Regional malls, outlet malls, high-end local retail stores</td>
<td>X</td>
</tr>
<tr>
<td>Proximity to medical facilities</td>
<td>Referral facilities that serve more than the local market</td>
<td>X</td>
</tr>
<tr>
<td>Proximity to colleges and universities</td>
<td>Local institution with community outreach</td>
<td>X</td>
</tr>
<tr>
<td>Tax conditions</td>
<td>Property and sales taxes favorable</td>
<td></td>
</tr>
</tbody>
</table>

*Source: Robert Charles Lesser & Co & Urban Land Institute*
TABLE 4
FINAL SCREENING MATRIX

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SIC</strong></td>
<td><strong>Name</strong></td>
<td><strong>2003</strong></td>
<td><strong>1997</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Firms</strong></td>
<td><strong>Jobs</strong></td>
<td><strong>Firms</strong></td>
</tr>
<tr>
<td>3434</td>
<td>Wood kitchen cabinets</td>
<td>6,121</td>
<td>63,466</td>
</tr>
<tr>
<td>3448</td>
<td>Prefabricated metal buildings</td>
<td>1,846</td>
<td>39,305</td>
</tr>
<tr>
<td>3842</td>
<td>Surgical appliances and supplies</td>
<td>3,955</td>
<td>129,998</td>
</tr>
<tr>
<td></td>
<td><strong>Avg. Regional Wage</strong></td>
<td><strong>SIC</strong></td>
<td><strong>Name</strong></td>
</tr>
<tr>
<td>4812</td>
<td>Radiotelephone communication</td>
<td>13,450</td>
<td>212,023</td>
</tr>
<tr>
<td>4813</td>
<td>Telephone communication ex radio</td>
<td>32,668</td>
<td>979,025</td>
</tr>
<tr>
<td>4899</td>
<td>Communication services nec</td>
<td>6,829</td>
<td>76,144</td>
</tr>
<tr>
<td>7371</td>
<td>Custom programming services</td>
<td>52,387</td>
<td>670,221</td>
</tr>
<tr>
<td>7372</td>
<td>Prepackaged software</td>
<td>24,489</td>
<td>331,461</td>
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<tr>
<td>7373</td>
<td>Computer integrated systems design</td>
<td>23,086</td>
<td>401,406</td>
</tr>
<tr>
<td>7375</td>
<td>Information retrieval services</td>
<td>3,988</td>
<td>89,008</td>
</tr>
<tr>
<td>7379</td>
<td>Computer related services nec</td>
<td>64,524</td>
<td>411,315</td>
</tr>
<tr>
<td>7389</td>
<td>Business services nec</td>
<td>367,290</td>
<td>1,952,414</td>
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<tr>
<td>8099</td>
<td>Health and allied services nec</td>
<td>19,627</td>
<td>176,434</td>
</tr>
<tr>
<td>8741</td>
<td>Management services</td>
<td>39,254</td>
<td>1,128,914</td>
</tr>
<tr>
<td>8742</td>
<td>Management consulting services</td>
<td>170,109</td>
<td>1,141,986</td>
</tr>
<tr>
<td>8748</td>
<td>Business consulting nec</td>
<td>129,982</td>
<td>661,701</td>
</tr>
</tbody>
</table>

Key to Growth Forecast:
- T = annual employment growth > 2.0%
- H = annual employment growth between 1.3-2.0%
- M = annual growth between 0-1.3%
- L = declining employment
FIGURE 3

Growth Forecast for St. Tammany Targets
Target Industry: Wood Cabinets

Overview
- SIC 2434 or NAICS 337110 includes companies that make wood cabinets
- Louisiana had 33 companies in 2000 employing 252 workers

Location Factors

Critical
- Supply of woodworking trades
- Outbound trucking

Important
- Access to growing regional markets

Industry Suppliers, Customers and Reasons to Target

Suppliers
- Hardwood lumber
- Softwood lumber
- Paperboard boxes

Customers
- Lumber yards
- Lumber wholesalers
- Home centers

St. Tammany’s Strengths...
- Proximity to softwood lumber
- Growing residential market
- Polymer skills

and Challenges
- No vacant buildings
- Vo-Tech programs

Industry Characteristics

Average wage ($/Hr.) $13.87
Typical plant employment (#) 19
Production Labor/Product Price 18%

Expected Growth (98-08)
- Employment + 2%

Historic Growth Rates (1997-2000)
- Overall Sales +25%
- Employment +26%
- Number of New Plants(#) +455
Target Industry: Prefab Metal Buildings

Overview
- SIC 3448 or NAICS 332311 includes companies that make prefab metal buildings
- Louisiana had a small base of companies in 200

Location Factors

Critical
- Access to regional customers
- Labor costs & productivity

Important
- Supply of welders
- Electrical rates

Industry Suppliers, Customers and Reasons to Target

Suppliers
- Steel suppliers

Customers
- Building dealers
- Commercial contractors

St Tammany’s Strengths...
- Proximity to steel suppliers
- Labor productivity

and Challenges
- No vacant buildings

Industry Characteristics

Average production wage ($/hr) $16.55
Typical plant employment (#) 38
Production Labor/Product Price 21%

Expected Growth (98-08)
- Employment + 8%

Historic Growth Rates (1997-2000)
- Overall Sales + 11%
- Employment + 9%
- Number of New Plants(#) + 340
Target Industry: Surgical Appliances and Supplies

Overview
- SIC 3842 (NAICS 334510) includes companies that make surgery supplies in FDA approved plants

Location Factors
Critical
- Engineering talent
- Moderate priced labor

Important
- Incentives

Industry Characteristics
- Average wage ($/hr): $23.28
- Typical plant employment (#): 37
- Production Labor/Product Price: 24%

Expected Growth (98-08)
- Employment: + 20%

Historic Growth Rates (1997-2000)
- Overall Sales: + 7%
- Employment: + 3%
- Number of New Plants (#): +316

Industry Suppliers, Customers and Reasons to Target

Suppliers
- Electronics parts
- Other industrial components
- Motors and controls

Customers
- wholesalers & distributors

St. Tammany’s Strengths...
- Concentration of engineers
- Moderate production cost

and Challenges
- No vacant buildings
Telecommunications Centers

Overview
- SIC 481 includes companies that provide telecommunications services, whether cellular or land line. Louisiana had 813 companies employing 20,072 in 2000.

Location Factors

Critical
- Access to clerical workers at moderate wages
- Telecomm infrastructure

Important
- Payroll based incentives

Industry Characteristics

Average wage ($/year) $61,300
Typical plant employment (#) 24
Production Labor/Product Price 75%

Expected Growth (98-08)
- Employment + 23%

Historic Growth Rates (1997-2000)
- Employment +67%
- Number of New Plants(#) +16,331

Industry Suppliers, Customers and Reasons to Target

Suppliers
- NONE

Customers
- Other business
- Residences

St. Tammany’s Strengths...
- Size of clerical labor pool
- Labor productivity

and Challenges
Target Industry: Software & Programming

Overview
- SIC 7371-79 includes companies that provide perform contract programming and that develop prepackaged software. Louisiana had 381 companies employing 2032 in 2000.

Location Factors

<table>
<thead>
<tr>
<th>Critical</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to trained workers at moderate wages</td>
<td>Telecomm infrastructure</td>
</tr>
<tr>
<td>Quality of life for relocations</td>
<td></td>
</tr>
</tbody>
</table>

Industry Characteristics

- Average production wage ($/yr): $78,000
- Typical plant employment (#): 13
- Production Labor/Product Price: 75%

Expected Growth (98-08)
- Employment: +40%

Historic Growth Rates (1997-2000)
- Employment: +67%
- Number of Projects (#): +30,707

Industry Suppliers, Customers and Reasons to Target

Suppliers: NONE

Customers
- Hotels
- Insurance Companies
- Banks and financial institutions
- Manufacturers of consumer goods and services
- Governments

St. Tammany’s Strengths...
- Cost of talent labor pool
- Quality of Life

and Challenges
- Size of talent pool
Strategic Plan for Economic Development in St. Tammany Parish

Target Industry: Misc. Business Services

Overview
- SIC 7389 includes testing labs, map and GIS contractors and reservations services

Location Factors

<table>
<thead>
<tr>
<th>Critical</th>
<th>Important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to workers at moderate wages</td>
<td>Payroll based incentives</td>
</tr>
<tr>
<td>Telecommunications infrastructure</td>
<td></td>
</tr>
</tbody>
</table>

Industry Characteristics
- Average production wage ($/yr) $27,716
- Typical plant employment (#) 13
- Production Labor/Product Price 75%

Expected Growth (98-08)
- Employment + 39%

Historic Growth Rates (1997-2000)
- Employment 54%
- Number of Projects(#) 58,679

Industry Suppliers, Customers and Reasons to Target

Suppliers
- NONE

Customers
- Banks and financial institutions
- Manufacturers of consumer goods and services
- Other businesses
- Government

St. Tammany’s Strengths...
- Size and cost of office labor pool
- Labor productivity

and Challenges
- Developed sites and vacant office space
Target Industry: Medical Services

Overview
- SIC 8099 includes companies that provide specialized medical services like physical exams and blood services.

Location Factors

Critical
- Access to trained workers at moderate wages

Important
- Payroll based incentives

Industry Suppliers, Customers and Reasons to Target

Suppliers
- NONE

Customers
- Other health care providers

St. Tammany’s Strengths...
- Size and cost of labor pool
- Labor productivity

and Challenges
- Vacant facilities

Industry Characteristics

Average production wage ($/yr) $32,136
Typical plant employment (#) 9
Production Labor/Product Price 75%

Expected Growth (98-08)
- Employment + 54%

Historic Growth Rates(1997-2000)
- Employment 49%
- Number of New Plants(#) +3,506
Target Industry: Management Consulting

Overview
- SIC 8741-48 includes companies that provide management consulting.

Location Factors

Critical
- Access to talent at moderate wages
- Regional markets

Important
- Telecomm infrastructure
- Payroll based incentives

Industry Suppliers, Customers and Reasons to Target

Suppliers
- NONE

Customers
- Banks and financial institutions
- Other business
- Manufacturers of consumer goods and services
- Government

St. Tammany’s Strengths..
- Size and cost of talent pool
- Labor productivity
- Quality of Life

and Challenges
- Lack of prepared buildings

Industry Characteristics

Average production wage ($/yr) $67,000
Typical plant employment (#) 7
Production Labor/Product Price 75%

Expected Growth (98-08)
- Employment 45%

Historic Growth Rates (1997-2000)
- Employment 44%
- Number of New Projects(#) 51,553
Target Industry: Large Back Offices and Call Centers

Overview
- Back office and call center categories include multiple SIC codes and a portion of SIC 73

Location Factors

Critical
- Access to skilled workers at moderate cost

Important
- Telecom infrastructure
- Payroll based incentives

Industry Characteristics

Average wage ($/year) $36,148
Typical plant employment (#) 183
Production Labor/Product Price 75%

Expected Growth (98-08)
- Employment + 54%

Historic Growth Rates (1997-2000)
- Employment 23%
- Number of New Plants(#) +3500

Industry Suppliers, Customers and Reasons to Target

Suppliers
- NONE

Customers
- Hotels
- Insurance Companies
- Credit Card Companies
- Banks and financial institutions
- Manufacturers of consumer goods and services

St. Tammany’s Strengths...
- Size of clerical labor pool
- Labor productivity

and Challenges
- Available buildings

Tamerica Management Company 110
VI. An Assessment of the Locational Recommendations for Targeted Growth In St. Tammany Parish

Introduction

St. Tammany Parish has experienced exceptional growth in retail and service employment over the last decade. The Parish has also seen strong growth in manufacturing and office employment. With a declining inventory of business park space in the metro area, St. Tammany will become a preferred site for top quality office, warehouse and service centers, provided space can be developed at competitive prices. Since business users pay a disproportionate share of sales and use taxes, business development is critical to maintaining stable taxes and good schools in the parish, two of the priorities expressed in the leadership workshop on March 14, 2003.

To plan for its future, St. Tammany Parish needs to secure additional land NOW for business development. The best land for this type of development often gets developed for residential or retail use, removing the potential for the community to attract desirable office or factory employers. Communities that meet the market demand for business land plan far in advance to provide a competitive product at a cost that the market will support.

This element of the strategic plan for economic development evaluates the future land requirements for warehousing, manufacturing, office and retail space. It then considers the locations within the Parish that are suitable, from a market standpoint, for such developments.

Factors That Drive the Demand for Commercial Land

Communities with new population and economic activity require developed commercial and business sites. Reports compiled by the Society of Office and Industrial Realtors suggest that business park acreage demand grows by 3 percent per year or 1.5 times the employment growth rate.

Business uses, except for retailing, cannot command the prices for developed properties that residential users pay. Most new business parks and commercial activities are therefore located on the periphery of urbanized areas with convenient highway access for a regional labor force that commutes by auto. Access to an interstate interchange (within 1 mile) or location on a four-lane highway is prerequisites to this type of development.
Inventory of Business Parks in the Metro Area

The first step in an accurate assessment of business park demand is an inventory of similar properties within the metro area. Most businesses within a metro area serve a market that is exclusively within that area. As markets grow, these businesses become landlocked and look for alternative locations where they can expand their physical plant. The New Orleans region has few developed business parks (See Table 1 below). Elmwood, the oldest and largest in the region, is nearly full. None of the remaining sites are cost competitive (asking prices of $10.00/ sf) and most will be used for multi-family residential or retail development. For our analysis, we are only considering subdivisions

<table>
<thead>
<tr>
<th>Parish</th>
<th>Name</th>
<th>Size (acres)</th>
<th>Vacant (Acres)</th>
<th>Opened (Year)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jefferson</td>
<td>Elmwood BP</td>
<td>800</td>
<td>0</td>
<td>1970</td>
</tr>
<tr>
<td>Tangipahoa</td>
<td>Hammond IP</td>
<td>450</td>
<td>51</td>
<td>1985</td>
</tr>
<tr>
<td>&quot;</td>
<td>Ponchatoula IP</td>
<td>90</td>
<td>7</td>
<td>1990</td>
</tr>
<tr>
<td>St. Charles</td>
<td>James BP</td>
<td>200</td>
<td>46</td>
<td>1979</td>
</tr>
<tr>
<td>St. Tammany</td>
<td>Northpark</td>
<td>96</td>
<td>15</td>
<td>1986</td>
</tr>
<tr>
<td>&quot;</td>
<td>Covington IP</td>
<td>36</td>
<td>5</td>
<td>1998</td>
</tr>
<tr>
<td>&quot;</td>
<td>Slidell IP</td>
<td>16</td>
<td>0</td>
<td>1997</td>
</tr>
<tr>
<td>&quot;</td>
<td>Alamosa BP</td>
<td>65</td>
<td>25</td>
<td>1998</td>
</tr>
<tr>
<td>&quot;</td>
<td>Samuel Myers BP</td>
<td>25</td>
<td>5</td>
<td>1992</td>
</tr>
<tr>
<td>&quot;</td>
<td>Tammany West Multiplex</td>
<td>43</td>
<td>43</td>
<td>2002</td>
</tr>
</tbody>
</table>

TOTAL 1821 197

Note: Vacancies and Sizes are approximate

Most of the new warehouse and business park customers have located in Tangipahoa or St. Tammany Parish over the last three years (See Table 2 in this section). Northshore locations are an important component of the region’s industrial land inventory. Eighty-five percent of the new space constructed in the metro area over the last 3 years has been on the Northshore.

<table>
<thead>
<tr>
<th>Parish</th>
<th>Name</th>
<th>Size (sf)</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orleans</td>
<td>Dupuy Storage</td>
<td>218,000</td>
<td>2001</td>
</tr>
<tr>
<td>Jefferson</td>
<td>Port Cargo</td>
<td>289,000</td>
<td>2000</td>
</tr>
<tr>
<td>Tangipahoa</td>
<td>Super Value Dist.</td>
<td>660,000</td>
<td>2001</td>
</tr>
<tr>
<td>&quot;</td>
<td>Wal-Mart</td>
<td>815,000</td>
<td>2001</td>
</tr>
<tr>
<td>&quot;</td>
<td>Winn-Dixie</td>
<td>400,000</td>
<td>2001</td>
</tr>
<tr>
<td>St. Tammany</td>
<td>Diversified</td>
<td>140,000</td>
<td>2002</td>
</tr>
<tr>
<td>&quot;</td>
<td>Folgers</td>
<td>700,000</td>
<td>2003</td>
</tr>
</tbody>
</table>

TOTAL 3,222,000

NORTHSHORE 2,715,000 (84%)
Land Absorption by Commercial Use

The UNO Real Estate Market Data Center has excellent data on space absorption for key commercial uses, such as warehousing, service centers, offices and retail. This data, when combined with construction data from F.W. Dodge, gives an accurate picture of how much space is required for future growth and development in the metro area, and within the parish.

Warehousing & Manufacturing

In the US, land absorption for warehousing and manufacturing grows at 1.5 times the rate of employment growth (Society of Industrial and Office Parks). New Orleans, however, is below the national rate (See figure below). The small inventory of developed sites in the region, combined with the high prices of developed sites, constrains demand. The slow rate of industrial growth in the region over the last 20 years also has led to a slower growth rate in warehousing and manufacturing sites.

Industrial space in the New Orleans region has grown at 1.2 times the employment growth rate when one adjusts for peak employment that occurred in 1981. Suburban space is growing faster than the overall metro area because much of the industrial space in Orleans Parish is obsolete for modern uses. Orleans Parish has had negative absorptions for a decade.

Source: UNO Real Estate Center reports and Bureau of Economic Analysis
A significant component of future demand for business park space in St. Tammany will result from regional companies looking for Northshore expansion sites. This demand will accelerate, as Elmwood and James Business Park cannot accommodate new users.

**Office Space**

Much of the new office space developed nationally has been in suburban business parks or in suburban campus settings. About 80 percent of new office construction in the USA during 1999-2000 was in suburban locations (Society of Industrial and Office Realtors). Office space absorption and construction in the national market, over the business cycle, averages about 3 percent per year (around 1.5 times the employment growth rate). The trend is New Orleans is below the national rate, however (see figure below).

Office space growth in New Orleans since 1993 has averaged about 1 percent per year, at the employment growth rate for the region. Mergers and downsizing in the oil and gas and banking industries and the relocation of several major headquarters (LL&E, American Classic Voyages, and McDermott Consolidated) have obviously affected the long-term outlook for office space in the metro area.

The distribution of office space has changed over the last seven years (see figure below). Available space in Orleans Parish dropped by twenty percent over the period while space in St. Tammany grew by 75 percent. St. Tammany has grown from 2 to 3 percent of the metro market in seven years while the amount of space in Jefferson Parish has been static during the period.
Retail Space

The demand for retail space grows with employment in retailing, whether within a metro area and within cities and parishes.

Retail space within Orleans Parish is clearly growing in proportion to population while space in suburban parishes is growing faster than population (see table below). The overall inventory of retail space is declining in Orleans Parish and is relatively flat within Jefferson Parish yet grew by thirty percent in St. Tammany Parish. Retail space per capita on a national basis is about 20.0 square feet, equal to the St. Tammany figure.

<table>
<thead>
<tr>
<th>Parish/City</th>
<th>All Space including Freestanding (sf)</th>
<th>Space per Cap.</th>
<th>Pop. Growth(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orleans</td>
<td>7,379,631</td>
<td>7,063,230</td>
<td>-4%</td>
</tr>
<tr>
<td>Jefferson</td>
<td>14,022,191</td>
<td>14,730,933</td>
<td>5%</td>
</tr>
<tr>
<td>St. Tammany</td>
<td>3,417,833</td>
<td>4,457,304</td>
<td>30%</td>
</tr>
<tr>
<td>Slidell</td>
<td>2,643,377</td>
<td>3,139,303</td>
<td>19%</td>
</tr>
<tr>
<td>Covington</td>
<td>352,708</td>
<td>653,812</td>
<td>85%</td>
</tr>
<tr>
<td>Mandeville</td>
<td>421,748</td>
<td>664,189</td>
<td>57%</td>
</tr>
<tr>
<td>Balance of Metro</td>
<td>2,071,494</td>
<td>2,297,051</td>
<td>11%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>26,891,149</td>
<td>28,548,518</td>
<td>6%</td>
</tr>
</tbody>
</table>

Source: Compiled from UNO Real Estate Center reports

Consequently, the growth in retail space in St. Tammany in the future will parallel growth in population.
Forest of Future Land Requirements

Our assumptions about future land use requirements in St. Tammany Parish are based on the following baseline numbers for our projections:

- St. Tammany population will grow by 44,000 between 2000 and 2015 (State Population Center forecast).
- Metro population will grow by 125,000 over the next 15 years (State Population Center forecast). Since the proportion of the population with jobs will remain steady at 60 percent, the employment base will grow regionally by 75,000 jobs.
- St. Tammany parish will move from 11% of total metro jobs in 2000 to 22% in 2015.
- The proportion of office jobs in St. Tammany parish will grow from 17% of jobs in 2000 to 35% in 2015. St. Tammany will gain 52,000 new jobs in the period, which is a trend line projection of the experience between 1990-2000.
- The metro area has an industrial building space inventory of 59 million square feet in 2002.

Warehouse and Manufacturing

- The parish will meet an increasing share of warehousing and business park needs for the New Orleans metro area. F.W. Dodge suggests that 40 percent of metro industrial space construction since 1998 has been in St. Tammany Parish.
- The share of business park space that will be built on the Northshore will remain high, perhaps in the 70-85 percent range.
- Overall inventory of industrial space in the metro area will grow at 1.25 times the regional employment growth rate.
- The amount of space can be estimated using the current metro space inventory of 59 million square feet.
- The following ratios (from Urban Land Institute) are central to our forecast of future business park demand:
  - Building space/ worker 317 square feet
  - Building/ land ratio 25%

Office Space

- A growing share of the metro area’s office space will be built in St. Tammany Parish. Most of the target industries are office-based.
- Much of the recent IT growth in the metro area has been at the UNO technology park but an increasing share of this space will have to be built on the Northshore since that park is full.
- St. Tammany has been the only parish in the metro area with a positive net absorption over the last seven years. F.W. Dodge suggests that a fourth of new office construction in the last five years has been in St. Tammany Parish.
The following ratios, from UNO’s Real Estate Market Data Center, are central to our office forecast:
- Office space/worker: 180 square feet
- Building/land ratio: 25%

Retail Space
- Retail space needs in St. Tammany will continue to grow with population. St. Tammany Parish has accounted for 25 percent of new retail construction in the metro area since 1998, according to F.W. Dodge, and this proportion is likely to increase with time.
- The amount of space that will be constructed can be estimated from national ratios applied to population projections.
- The following ratios, from UNO’s Real Estate Market Data Center, are central to our retail forecast:
  - Retail space per capita: 20 square feet of building
  - Building/land ratio: 25%
Forecast

The following are the forecasts of new land requirements in St. Tammany between 2000 and 2015 based on the assumptions and methods discussed previously:

**Industrial Space**

Step #
1. Metro wide job growth (2000-2015) 75,000 (+10% increase)
2. Metro wide new industrial space
   
   \[ \times 1.25 \times 59,000,000 \text{ sf} \]  
   7,375,000 ft$^2$
3. Metro wide land requirement @ .25 coverage 680 acres
4. St. Tammany portion @ 75% 510 acres

**Retail Space**

Step #
2. Retail building space (44,000 x 20 sf) 880,000 ft$^2$
3. Retail land requirement @ .25 coverage 81 acres
4. Current retail land inventory 285 acres
5. Retail land inventory in 2015 366 acres

**Office Space**

Step #
1. New jobs in St. Tammany 2000-2015 52,000
2. Office jobs @ 35% 18,200
3. New office space @ 180 sf/ employee 3,276,000 ft$^2$
4. Land requirement @ .25 coverage 13,104,000 ft$^2$
5. Office land inventory in 2000 63 acres
6. Office land inventory in 2015 364 acres

This forecast suggests that the business park requirement for land is about 900 acres. St. Tammany should consider two modern parks of approximately 400 to 500 acres each. Each of the parks should appeal to high-end offices as well as to light manufacturers and attractive warehouses.

Although many of the target industries welcome historic conversions, the amount of vacant space for these uses is sufficient to accommodate just a fraction of the future demand. Vacant office space in St. Tammany totals about 60,000 square feet, just a fraction of the expected demand over the next decade.
Site Layouts

Industrial
About eight-five percent of “industrial” space in the metro area consists of warehouses versus a national average of forty-five percent. Much of the future demand in St. Tammany will also consist of warehouse facilities, such as the recent Folger’s project. Distribution sites tend to run between 20 to 50 acres.

Although traditional manufacturing is not likely to contribute substantial absorption, the parish should be prepared to offer business park sites to companies within the three identified target industries. Typical footprints for these projects consist of 20,000 square feet of building space on 2 to 3 acre sites or 60,000 square feet of building on 5 to 10 acres parcels.

As business parks will provide most of the industrial and office supply to meet future demand, their locational requirements are the priority issue for consideration in St. Tammany’s future economic development.

Offices
The overwhelming majority of new businesses will seek modern office space. Corporate campus settings and quality business parks, with design, layout and landscaping covenants, are the norm for the type of sophisticated business users that are targeted for St. Tammany. Most of these users will look for office configurations of 3,000 to 10,000 square feet within multiple tenant buildings. A typical building design for these uses consists of three floors of 20,000 square feet each on a lot of 6 to 10 acres.

Many of the technology targets, such as software and programming, welcome conversion space in urban settings, such as in downtown Covington, old Mandeville, or Slidell. These companies have modest needs (See table on next page) that could partly be met by conversion of upper floors or vacant commercial space in historic areas. The future demand is far too large, however, to be accommodated completely by space conversion.
A novel means of providing space for such uses is in planned mixed-use communities that include office buildings. The proximity of residences to offices minimizes traffic congestion from daily commuting, which is a priority of St. Tammany businesses and residents. A portion of future space should be provided in planned developments with mixed retail, office and residence. Northpark in Covington demonstrates that the market in the parish is ready to support such projects.

**Retail**
Retail space demand can be divided into convenience goods, which exist on customers from nearby subdivisions or from highway traffic, and regional shopping goods. Convenience goods consist of such uses as restaurants, dry cleaners, and food stores. Regional shopping goods often locate in leased space in regional malls or strip centers. Some of the big box retailers (another form of regional shopping) have stand-alone footprints.

The market demand for regional retailing can be ascertained by comparing the population draw at major intersections within the parish over a 15-mile radius. Intersections with a large population draw, near municipal utilities, and within residential growth corridors, are sites where new retailing develops.

**Infrastructure to Meet Business Park Demand**

A business park of 500 acres requires significant community resources (See table on next page).

A | Name | Potential Firms | Avg Jobs | Avg. Space(sf) |
---|------|----------------|----------|---------------|
4812 | Radiotelephone communication | 8,106 | 16 | 3,153 |
4813 | Telephone communication ex radio | 19,957 | 30 | 5,994 |
4899 | Communication services nec | 4,580 | 11 | 2,230 |
7371 | Custom programming services | 7,210 | 13 | 2,559 |
7372 | Prepackaged software | 5,931 | 14 | 2,707 |
7373 | Computer integrated systems design | 7,435 | 17 | 3,477 |
7375 | Information retrieval services | 932 | 22 | 4,464 |
7379 | Computer related services nec | 39,906 | 6 | 1,275 |
7389 | Business services nec | 117,358 | 5 | 1,063 |
8099 | Health and allied services nec | 7,012 | 9 | 1,798 |
8741 | Management services | 13,191 | 29 | 5,752 |
8742 | Management consulting services | 44,969 | 7 | 1,343 |
8748 | Business consulting nec | 58,137 | 5 | 1,018 |
Admin Offices and call centers | 6,000 | 500 | 100,000 |
Since a business park of this size creates an additional 32,000-vehicle trips/day it is recommended that the park be located away from interchanges on I-12 and I-10 that are currently congested. Raw land for business park development must lie close enough to municipal utilities to warrant extensions, however. These are important criteria for business park locations that were factored into our site assessment.

### Business Park Location Screening Criteria

The requirements for business park locations are well established. The following factors were analyzed in selecting areas of the parish for evaluation:

- **Adjacent to a 4-lane divided highway or an interstate highway interchange (minimum of 4 lanes are required to meet the traffic flow).**
- **Near a municipal water and sewer system.**
- **Outside of interstate interchanges with congestion**
- **Away from suburban residential or highway commercial districts (that escalate the price for raw land above what can be justified for business park locations).**

A matrix of screening variables was developed to rank each of the potential sites. The variables in the matrix, in addition to highway access, were chosen for the following reasons:

- **Water and Sewer Service**  -- Close enough to a municipal water and sewer system to justify extension of service. The minimum required line size for water is 12 inches and for sewer is 10 inches.
- **Gas Service**  -- Natural gas service must be located within three miles of the park to warrant extension of service.
- **Fiber Optic Trunk Lines**  -- Sites that appeal to data intensive companies should be located within 1 mile of long-distance fiber optic trunk lines.
- **Labor Access**  -- Remote locations have lower land prices, which offers more flexibility in developing business parks. However, sites that are outside of a major labor shed are of little interest to business. We analyze labor access by

<table>
<thead>
<tr>
<th>Vehicle Trips/day*</th>
<th>500</th>
<th>600</th>
<th>700</th>
<th>800</th>
<th>900</th>
<th>1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>63.11 trips/acre</td>
<td>31,555</td>
<td>37,866</td>
<td>44,177</td>
<td>50,488</td>
<td>56,799</td>
<td>63,110</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water requirements (gallons/day)**</th>
<th>500,000</th>
<th>900,000</th>
<th>1,050,000</th>
<th>1,200,000</th>
<th>1,350,000</th>
<th>1,500,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1500 gallons/acre</td>
<td>750,000</td>
<td>900,000</td>
<td>1,050,000</td>
<td>1,200,000</td>
<td>1,350,000</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

* 63.11 trips/developed acre
**1500 gallons/developed acre
counting population within twenty miles of each site. (See map on the following page).

- **Railroad Service** -- Access to rail lines is not as crucial a location factor as it was in the 1950’s, but railroad service is still a requirement for certain industries such as plastic molders and extruders. None of the potential sites in St. Tammany can offer competitive rail service, however because they are located on mainlines beyond the local switching limits for the railroads.

- **Site Topography** -- Sites must lie above the 100-year floodplain and be level enough to allow development without an inordinate amount of fill and grading.

- **Drainage** -- A large industrial park generates ample storm runoff. To warrant development, sites must have good natural drainage into large watercourses that can handle the runoff produced by development.

- **Zoning** -- Properties must be zoned for industrial uses or be easily rezoned for such activities.

- **Surrounding Uses** -- Dense residential development near business parks creates significant problems and complaints from neighbors. Sites should have sufficient agricultural or commercial buffer to screen the site from residential uses.

- **Raw Land Price** -- Business park developments in Louisiana require raw land prices below $7000/acre to offer developers a breakeven price on sales. Locations that are already undergoing commercial or residential tract
development are often too expensive to warrant business park development without public subsidy.

- **Ownership and Acquisition Difficulty** -- Sites with more than three owners are problematic in terms of site acquisition. Smaller owners often hold out for high prices on their parcels, which escalates land acquisition costs and increases the breakeven price for the developer. Also, because of the economies-of-scale involved with infrastructure, small parcels are much more expensive to develop for business park uses.

## Best Locations for Business Parks

Taimerica investigated each of the interchange locations in St. Tammany to evaluate the best locations for future business parks. We evaluated locations based on a matrix of site factors for each interchange (see summary table and maps of each interchange in the appendix). Based on this analysis, two interchanges offer the best opportunities for business park development. The LA-1077 interchange of I-12 and the LA-434 interchange offer the best opportunities for business park development at moderate costs (See map). Several planned interchanges at LA 1088 and at US Business 190 in Slidell also offer opportunities, provided DOTD completes these interchange projects in the next three years. Business 190 and Pearl River interchanges are the only ones in the parish that offer access to fiber optic trunk lines.

## Regional Retailing Locations

The size and income level of population within 15 miles of a retail site is the best measure of the potential demand from regional retailing. A matrix of intersections throughout the parish was compiled to evaluate the regional retailing potential of various locations. The strongest potential is at the LA-21 and LA 434 interchanges (See map on page 15). The LA 22 interchange at Covington is another interchange that shows strong retail demand, as does the Pearl River interchange of I-10. The future interchange at Highway 1088 offers retail development potential as well. A combination of regional retailing and business park zonings should be established for the LA 434 and LA 1088 interchanges.

## New Directions 2025 Recommendations

The transportation infrastructure in St. Tammany limits most tax-generating activities to areas within 1 mile of interchanges along I-10 and I-12. Congestion and underdeveloped highways restricts future growth to these small corridors. In the past, these prime sites have not been protected from encroachment by single lot residential construction, which destroys their utility for business park or retail activities that generate tax revenues to operate schools and government.
The ND 2025 plan should preserve the following interchanges for planned mixed-use business park and retail development:

- LA 1088
- LA 434
- LA 1077
- Business 190 in Slidell

If land at the LA 59 interchange, with highway access and utilities, can be assembled at moderate cost this interchange should also be considered for business park development. (We were not able to evaluate property ownership at this interchange because the assessor’s maps for eastern St. Tammany have not been updated since the mid 1980’s).

The St. Tammany Economic Development District (EDD) should acquire enough land at the LA 434 intersection to accommodate a 600-acre business park. We recommend that the front of the NE quadrant be preserved for regional retailing. The balance of the site can be developed with an upscale concept, such as currently found at the Denver Tech Park. A golf-course incorporated into the design would add value for upscale tenants while assisting in site drainage.

The LA 1077 interchange serves well for industrial prospects. We recommend a zoning that allows M-1 and M-2 activities. A site of about 300 acres should be acquired to accommodate warehouse and industrial growth.

A cluster of heavy industries is located on LA 25 north of Covington. We recommend that some additional land with M-2 zoning be provided in this area to accommodate future growth by these companies.

None of the recommended sites have municipal services. The regional sewer plan under development contemplates service south of I-12. We recommend that the regional water and sewer service territory at these critical interchanges be extended to 1 mile north of the interchange.

Be careful with impact fees. Private companies with a location choice will not choose sites with impact fees, whether levied by a public or private utility. We recommend that the Economic Development District or another public entity provide infrastructure as part of the business park infrastructure with the cost of these improvements amortized into the prices of sites, rather than recovered as impact fees.

The Business 190 and the Pearl River locations are the only sites that offer access to fiber optic facilities. These sites are so near dense residential growth that they may be overpriced for business park development, however. We recommend that the parish consider a zoning classification that restricts uses to industrial or office commercial.
## Business Park Site Screening Matrix

<table>
<thead>
<tr>
<th>Utilities</th>
<th>West Parish</th>
<th>Central-East Parish</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water (10&quot; line within 1000 feet =5, over 5000 feet =1, 3 otherwise)</td>
<td>1 3 3 1 1 3 3 3</td>
<td></td>
</tr>
<tr>
<td>Sewer (&gt; 10&quot; line within 1000 ft =5, over 5000 ft =1, 3 otherwise)</td>
<td>1 3 3 1 1 3 3 3</td>
<td></td>
</tr>
<tr>
<td>Gas (6&quot; line within 5000 feet=3, 3&quot; line within 5000 ft =1)</td>
<td>3 3 3 3 3 3 3 3</td>
<td></td>
</tr>
<tr>
<td>Fiber Optic trucn line, &lt;5000 ft =5, 1 otherwise)</td>
<td>1 1 1 1 1 5 5 5</td>
<td></td>
</tr>
<tr>
<td>Labor access (Population within 20 mile radius in 000)</td>
<td>164 151 178 191 200 165 169 177</td>
<td></td>
</tr>
<tr>
<td>Transportation Access</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interstate (At interchange = 5, within 1 mile =3)</td>
<td>5 5 5 5 5 3 3 5</td>
<td></td>
</tr>
<tr>
<td>Major Highway (At site = 3)</td>
<td>3 3 3 3 3 3 3 3</td>
<td></td>
</tr>
<tr>
<td>Site Characteristics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Topography (above floodplain =3, little fill or grading=3, 0 otherwise)</td>
<td>6 6 6 6 6 6 6 6</td>
<td></td>
</tr>
<tr>
<td>Elevation &amp; drainage (good = 5, 3= acceptable, 1 = poor)</td>
<td>5 3 5 5 5 1 3 3</td>
<td></td>
</tr>
<tr>
<td>Zoning (zoned for industry =5, zoned for agriculture=4,zoned residential=1)</td>
<td>4 1 4 4 4 1 5 1</td>
<td></td>
</tr>
<tr>
<td>Surrounding Uses (problematic = 1, acceptable =5)</td>
<td>5 1 5 5 5 1 3 4</td>
<td></td>
</tr>
<tr>
<td>Raw land price (low =5, medium=3, high=1)</td>
<td>5 1 2 5 5 1 1 2</td>
<td></td>
</tr>
<tr>
<td>Ownership and acquisition (1 to 5 with 5 the easiest)</td>
<td>5 1 3 5 5 1 5 5</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>44 31 43 44 44 31 43 41</td>
<td></td>
</tr>
</tbody>
</table>
Strategic Plan for Economic Development in St. Tammany Parish

Taimerica Management Company
Strategic Plan for Economic Development in St. Tammany Parish
Recent Growth in St. Tammany
Map Layers
- Census Place (2000)
- Interstate Highway
- Populated Place
- New Residence in 1999
- New Residence in 2000
- New Residence in 2001
- New Residence in 2002
- Conv. Permits 1999-2000
- Warehouse Permits 1999-2000
- Office Permits 1999-2000

Miles
0 4 8 12

US 11 (#6)
Bus 190 (#8)