

STRONG ECONOMIES, RESILIENT COUNTIES

The Role of Counties in Economic Development



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ASCENSION PARISH, LOUISIANA

Boosting the Local Economy through Business Expansion



Part of the Baton Rouge metropolitan area, Ascension Parish, La., has an economy anchored by the petrochemical industry, which produces plastics, chemicals and other goods derived from natural gas and oil. In addition to employing a large portion of the workforce, the petrochemical business activity accounts for 48 percent of taxable sales in the parish. The strong performance of this industry led to lower unemployment in the parish relative to the state (3.8 percent versus 4.5 percent, in April 2014) and higher per capita income (\$43,881 in the parish in 2012, nearly \$4,000 higher than the statewide average). By helping small local businesses connect with major petrochemical firms, Ascension Parish created ways to encourage continued retention and expansion in the local economy.

Ascension Parish pursues economic development efforts primarily through the Ascension Economic Development Corporation (AEDC), a 501(c) 6 non-profit organization. In 2006, the parish partnered with the Ascension Chamber of Commerce and the City of Gonzales to form the AEDC, amidst growing agreement that Ascension Parish needed its own full-time, professional organization focused on economic development. Parish leadership decided to form a non-profit organization to support economic development programs in the parish largely because, as a non-profit, the AEDC has more flexibility with respect to its governance and greater opportunities for fundraising. A ten-member board governs AEDC, with seven of the members holding voting privileges: the Parish Council appoints two of them, the Parish President one and the Ascension Chamber of Commerce four. In addition, the Ascension Parish Council appoints two non-voting members and the City of Gonzales Council one non-voting member. A majority of AEDC's funding (87 percent) comes from Ascension Parish (about \$323,000 in annual appropriations). The organization receives additional funding from the City of Gonzales as well as from the Baton Rouge Area Chamber, a regional level economic development organization. The AEDC uses this funding to support its operations and a three-person staff.

Ascension Retention and Expansion (ARE)

Since AEDC began its operations in 2006, business retention and expansion has been the core of its economic development activities. Through the Ascension Retention and Expansion program (ARE), AEDC reaches approximately 75 businesses annually to provide them with site evaluation assistance, help navigating zoning rules, securing incentives from local and state governments and other technical issues associated

- Population, 2013: 114,393
- Parish Board size: 13
- Parish President

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with expansion. For the implementation of this program, the AEDC collaborates with the Baton Rouge Area Chamber and Louisiana Economic Development. Together with its partners, the AEDC focuses on the retention and expansion of existing businesses, given that 74 percent of capital investment and 66 percent of new jobs in the parish since 2006 have been the result of the expansion of existing firms. The AEDC partners focus primarily on larger firms in the petrochemical industry, which allows the AEDC to target the smaller operations in the industry.

The AEDC offers one-on-one assistance to smaller supply and construction operations in the petrochemical industry. These firms serve larger oil and gas firms not only in Louisiana, but also in Texas and other areas experiencing energy booms. The AEDC helps these businesses navigate regulatory requirements, secure state and local incentives, evaluate available sites and provide additional assistance based on the needs of individual firms. According to AEDC estimates, between 2007 and 2014 the organization took part in 34 major retention and expansion projects that resulted in \$4.7 billion in capital investment and more than 1,200 new jobs.

Ascension Parish focuses on business retention and expansion to support the parish economy's growing petrochemical industry. Through a partnership with municipal and private entities, the parish formed the AEDC that has a flexible structure and uses both municipal and private funding to advance economic development in the county. Working with the Baton Rouge Area Chamber and Louisiana Economic Development, the AEDC provides valuable assistance to small, local businesses to allow them to take advantage of the growing petrochemical industry.

