

St. Mary Parish Economic Development News

Volume 4, Issue 1

January 2016



Frank's Message

THE STORY CONTINUES TO BE ENERGY VOLATILITY.

At what price will oil stabilize? Oversupply continues to put pressure on oil prices currently under \$30/bbl. Citibank and Morgan Stanley are currently forecasting the bottom at \$20-\$25/bbl.

St. Mary Parish Employment has declined by 1,000 workers year to year November. Since **November of 2010** the labor force has remained above 25,000 residents but the unemployment rate has declined from 9.3% to 7.6% currently. Other parish indicators in 2015 followed as sales tax collections declined by 15% to \$38.8 million and housing rental list sales by 29% to 2,454.

2015 in Review was helped by the construction of several projects including:

- Metal Sharks 60,000 sq. ft. facility
- 60 MW Power Plant in Morgan City
- Government Operations and Emergency Facility, built by the Port of Morgan City
- Charenton Canal Industrial Park owned by The Port of West St. Mary
- Walmart's Neighborhood Market in Morgan City
- Patterson Junior High School began construction
- Ground Breaking held at the Marine Campus Site of Young Memorial Technical college

While company's involved in the oil field were pulling back a few bright spots emerged. The three (3) carbon black plants benefitted from a strong secondary tire market, as lower gas prices encourage consumers to drive more. Ship yards with a diversified customer base including Foreign Governments, strong demand on the East and West Coast and other international businesses were steady. Repair yards felt the downturn in the oil field.

Conrad Industries signed \$147.5 million of new contracts in October and November to construct multiple ocean-going tank barges and tugs. These included Articulated Tug Barges (ATB's) which provides 55,000/bbls and 80,000/bbls of petroleum product capacity. Conrad is making capital investments in the Deepwater South Yard to improve efficiency and produce larger vessels. Currently the \$20 million capital improvement program includes a 100,000 sq. ft. fabrication building.

CLECO Power will construct, own and operate a 40MW Waste Heat Recovery Project in conjunction with an agreement with Cabot's Canal Facility in Centerville. The \$81 million facility will begin construction this year with start-up in 2018. Cabot will sell its wasteheat to CLECO.

Parish Economic Development Briefs

Oil & Gas

Louisiana's Weekly Rotary Rig Count for the week ending January 8th was 59 for both land and water based rigs. This count is down 49 from one year ago. The year started off strong with the average monthly rig count 105, but then a rapid drop began the week of March 20th with a sudden drop of 75 rigs. And with the price under \$30 a barrel, and projected to be in the mid-\$40 in 2016, the future will bring a continued slump and more shake-ups throughout the industry. Natural gas concerns won't fare much better due do an abundant supply and a mild winter. Current price is \$2.22 per MMBtu, this price may rise to \$2.50 per MMBtu in 2016.

Employment

Parish employment in November, the most recent available data, was 23,137, down 80 jobs compared to October and down 1,026 jobs from one year ago. The decline in jobs parallels the drop in rigs but lagging by one month or so. Peak parish employment was 24,442 in April. Despite these losses, Parish employment remains up 2,118 from 5 years ago.

The November unemployment rate for St. Mary Parish was 7.6%, down .4 points from last month and up .7 points from a year ago. The State unemployment rate in November was 5.9%, the nation's unemployment rate was 4.8%.

Business Activity

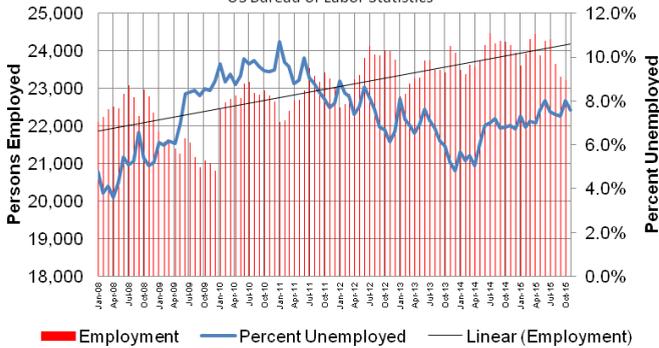
The number of businesses visited by parish staff this past quarter was 12. The number of projects in the pipeline totaled 9 with the potential to create 250 new jobs and investments of \$50 million through 2016. Some projects have been delayed due to the uncertainty of oil prices.

St. Mary Parish was in Site Selection Magazine for it's 100 acre LED Certified Site at Williams Memorial Airport Business Park. The site is 1 of 3 in the 9 parish metro Lafayette region.

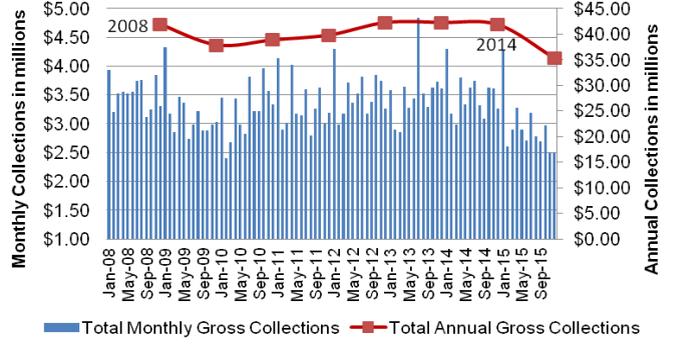
Economic Facts and Figures

Resident Employment/Unemployment January 2008 to November 2015

US Bureau of Labor Statistics

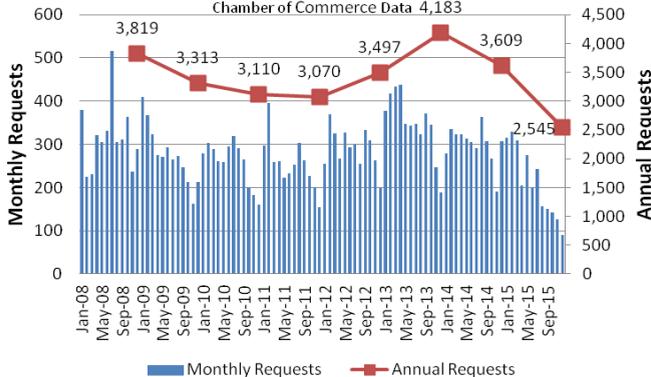


Parish Gross Tax Collections 2008 - 2015 Parish Sales & Use Department



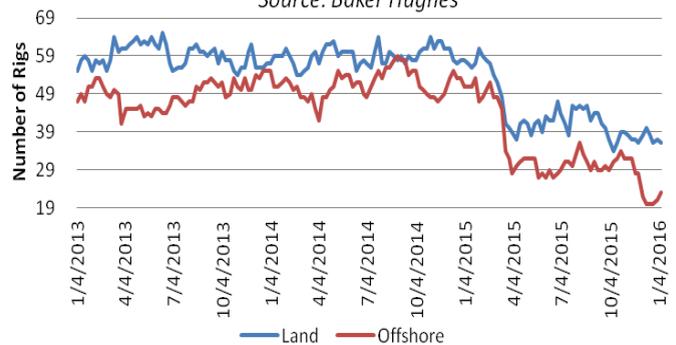
Requests for Rental Housing Listings January 2008 through December 2015

Chamber of Commerce Data 4,183



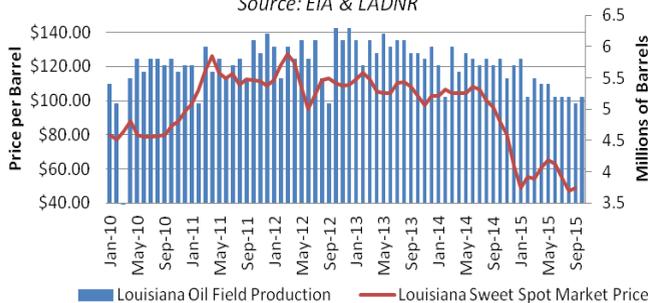
Louisiana Weekly Rotary Rig Count Land & Offshore 1/4/13 to 1/8/16

Source: Baker Hughes



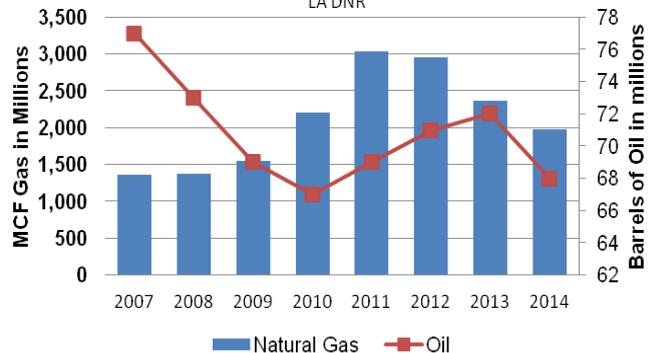
Louisiana Average Monthly Oil Production & Price, 2010 to October 2015

Source: EIA & LADNR



Louisiana Oil and Gas Production

LA DNR



Got a comment, send us an email or call:

Frank G. Fink, Director
337-828-4100, Ext: 340
ffink@stmaryparishla.gov

Ramona Landry, Administrative Manager
337-828-4100, Ext: 342
rlandry@stmaryparishla.gov

To sign up and receive a digital copy of this newsletter in the future, send an email to the Office of Economic Development at:
rlandry@stmaryparishla.gov.

Available Buildings and Sites at:

<http://www.louisianasiteselection.com/bayouregion/Buildings-And-Sites.aspx>