

St. Mary Parish Economic Development News

Volume 4, Issue 2

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St. Mary
Parish

Heart
of the Cajun Coast

Frank's Message

When will we turn the corner in the Oil and Gas Industry?

The price per barrel remains low and US inventories remain near an all time high around 32 days worth of consumption, refineries are taking some down time while converting to summer blends, Iranian oil has yet to have a significant impact on global supplies and OPEC Ministers did not agree on production caps at their recent meeting (4/17/16). Louisiana had three more offshore rigs return to work but the total rig count, land and offshore stands at 48, significantly lower than a year ago. While the current news contains uncertainty, an uptick in employment in February and the slight increase in offshore rigs, coupled with forecasters indicating a slow but steady rise in the price of oil, we are looking forward to improving economic conditions throughout the year.

The encouraging news in the jobs market...employment increased in February compared to January of 2016 across all parishes from Lafayette to Lafourche. One month does not make a trend but at least it's a start. First quarter of 2016 saw demand for apartments show some improvement relative to the fourth quarter of 2015. Rental list sales increased 19% quarter to quarter, for an annualized rate of 1,700 units.

Sales tax collections first quarter 2016 to fourth quarter 2015 are up roughly 6% but down 13% from first quarter 2015.

Projects under construction, or anticipated, continue to shore up employment numbers. These projects include: Patterson Junior High School; Morgan City Marine Campus at Young Memorial Technical College; the Port of West St. Mary's Charenton Industrial Park, and Conrad's 100,000 sq. ft. fabrication building. Retail projects are also moving forward in several communities: Domino's Pizza in Bayou Vista; a new strip mall in Patterson is nearly sold out, clients include Subway, Pizza Hut, Boost Mobile, an Insurance Agency and several more are in discussion with the owner. There are plans to build a Fred's Department Store and a Pizza Hut Express on the west side of Main St., Franklin.

CLECO Power has received approval of the Louisiana Public Service Commission to sell its assets to Macquarie Group, Ltd. for \$4.9 billion.

Aside from CLECO customer's receiving \$136 million in rate credits (approximately \$500 per customer), \$7 million was pledged for Economic Development in CLECO's territory. The CLECO Power/Cabot venture to build/own/operate a 40mw waste heat recovery project in Centerville should move forward as planned in the fourth quarter of 2016. The \$80 million project should be completed in 2018, with construction workers peaking at around 300 jobs next year.

Parish Economic Development Briefs

Oil & Gas

Louisiana's land and offshore Weekly Rotary Rig Count for the week ending April 15th was 48, down 24 from one year ago. The offshore rig count however was up to 25, the highest number of rigs in 2016. Meanwhile, first purchase price of Louisiana crude oil in January was \$29.50 per barrel. Optimistic forecaster predict \$40-\$50/barrel crude by the end of the year. Natural gas prices are remaining low and favorable for industrials and consumers. The current price is for industrial purposes \$2.63 per MMBtu, and \$9.42 per MMBtu for residential consumers.

Employment

Parish employment in February, the most recent available data, was 22,368, down 1,549 jobs from a year ago but up 154 from last month. A corresponding drop in average weekly wages of nearly \$100 per week has occurred as higher paying oil sector related jobs decline.

The February unemployment rate for St. Mary Parish was 8.4%, up 1.4 points from last year and the same as last month. The State unemployment rate in February was 5.8%, the nation's unemployment rate was 5.2%.

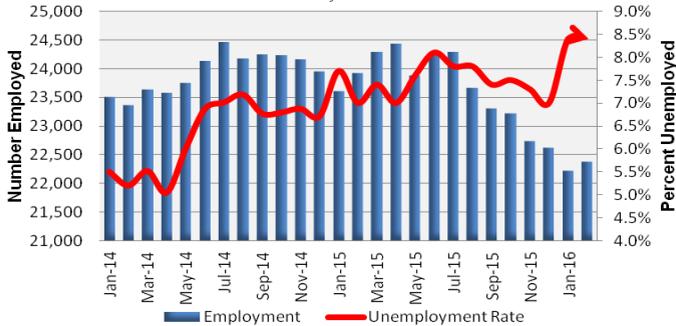
Business Activity

The number of businesses visited by parish staff this past quarter was 21. The number of projects in the pipeline totaled 11 with the potential to create 500 new jobs and investments of \$130 million through 2016.

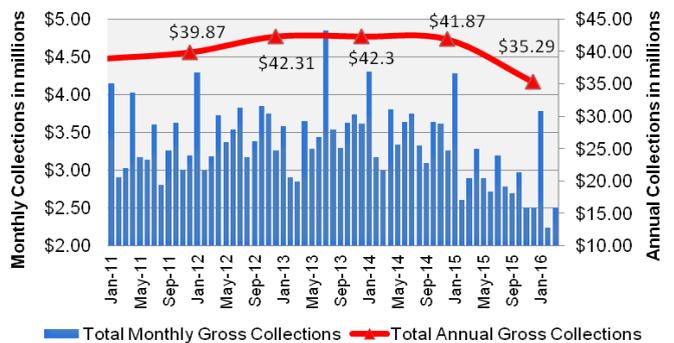
Economic Facts and Figures

Employment / Unemployment Rate
January 2014 to February 2016

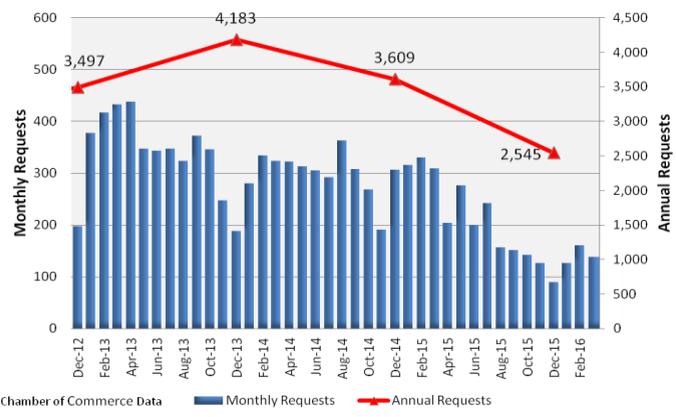
U.S. Bureau of Labor Statistics



Parish Gross Sales Tax Collections 2011 - March 2016
Parish Sales & Use Department

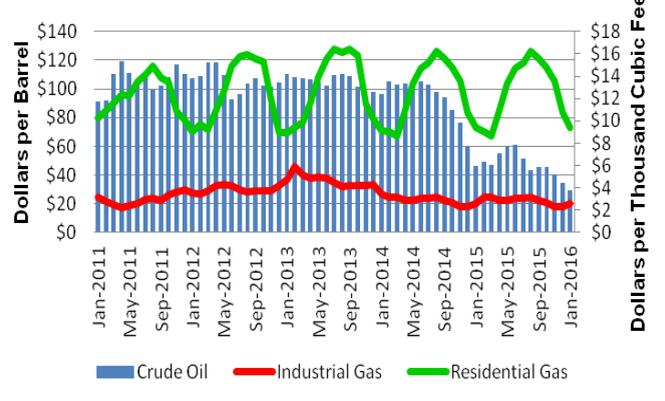


Requests for Rental Housing Listings
December 2011 to March 2016



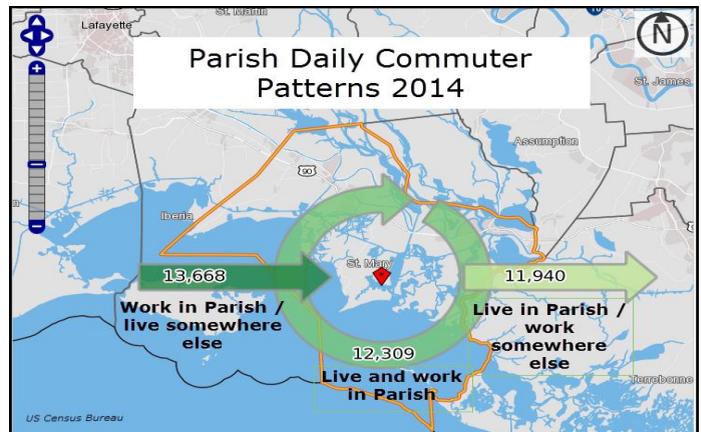
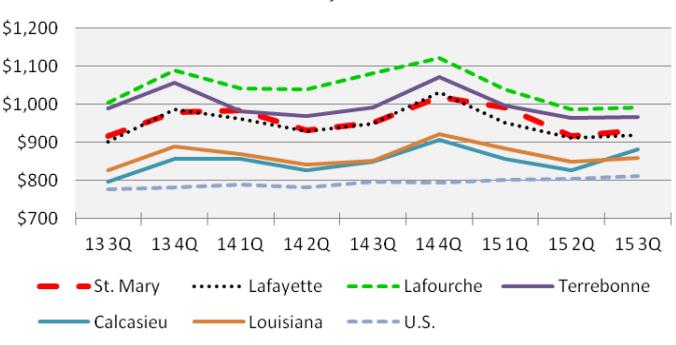
Louisiana Crude Oil and Natural Gas Prices

Source: EIA



Average Weekly Wages

Louisiana Workforce Commission



Got a comment, send us an email or call:

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