

Chapter Seven

Economic Development

Reaching a consensus for a common understanding of economic development principles is a critical first step in creating attainable goals and strategies for the City of Zachary. One standard for local economic development is the acknowledgement of the importance for collaboration and partnership. This is of particular significance in a suburban market like Zachary, whose local economic conditions are largely a result of wider metropolitan and regional trends. For example, the likely emergence of Baton Rouge as the leading regional economic growth center for the central Gulf Coast will dramatically increase the probability that ongoing development pressures in Zachary will continue or increase. The effectiveness of economic development policy decisions and efforts in Zachary should, therefore, be judged by how the community positions itself within the greater regional economy. Policy decisions will then generate a positive response from private investors to diversify the tax base and increase job opportunities, while at the same time promoting community character and image, talent attraction and development, and Zachary's overall long-term economic sustainability.

Over the long-term, Baton Rouge will likely emerge as the leading economic growth center for the central Gulf Coast. As result, Zachary can expect growth pressures to continue.

Purpose

The purpose of this chapter is to provide the City guidance for the pursuit of strategic opportunities leading to sustainable economic vitality, as well as a diversified tax base, over the next several years. Some issues, however, that have an indirect impact – but lie beyond the direct responsibility of the City – are also raised in this chapter. In other words, the impact of decisions made outside the community may have both negative and positive effects on not only Zachary's economic development goals, but also its quality of life and community character. One such example is the potential placement of a new Interstate 10 bypass within close proximity of the community. A decision in favor of an alignment between Zachary and Baker would have enormous consequences on the long-term development of the community. The local community's response to this alignment would strongly influence Zachary's business recruitment prospects and development pattern. Similarly, many of Zachary's business recruitment and target industry prospects will largely be the result of efforts by the Baton Rouge Area Chamber of Commerce or other state-wide and regional economic development organizations. This is all to say that the City of Zachary, first and foremost, should develop strong working relationships with local and regional partners in both the public and private sectors to ensure that the community can enlist the support of allies in achieving its overall economic development goals.

This chapter is divided into three sections:

- ◆ Issues and opportunities to leverage Zachary's competitive advantages for diversifying its tax base and creating employment opportunities for its citizens.
- ◆ Assessment of trends affecting economic development opportunities in Zachary; and



- ◆ Presentation of target sectors for Zachary, including a definition for each and the rationale for its selection.

Issues and Opportunities

The following goals and recommended actions were formulated to specifically address the key economic challenges and opportunities in Zachary, which were identified through the preceding, local input, and the consultant's expertise. Meeting these economic development goals will reposition Zachary as the northern anchor for the Baton Rouge region, setting it on a course for long-term economic growth, vitality, and a high quality of life.

Promoting desired businesses and maximizing strategic opportunities requires a proactive, systematic, and coordinated economic development program.

Promoting the Importance of Economic Development

Despite strong population growth trends in the Zachary area since 2000, the development of the community's business sector has lagged. This situation is not unique and is, in fact, a recognized development pattern common to rapidly growing suburban communities throughout the country. If Zachary continues to follow this suburban development pattern, the next stage in the City's growth will result in an influx of national retail and restaurant chains. Already, the City has seen an initial wave with the arrival of Chili's and Home Depot. Zachary's growth, however, has been led primarily by the continued development of new subdivisions. While chains contribute greatly to the local tax base, suburban "big box" development runs counter to the vision proposed by local residents. Managing these conflicting trends and desires will be of the utmost importance if Zachary is to become the city that residents envision: a freestanding community with a balanced local economy.

While cities can utilize a number of tools to influence development patterns (e.g., infrastructure improvements, zoning, etc.), promoting desired businesses and maximizing strategic opportunities requires a proactive, systematic, and coordinated economic development program. The key for Zachary's long-term success will be balancing the desires of local residents to maintain its community character, while also promoting new businesses that will enhance and diversify the tax base to fund needed infrastructure improvements and municipal services.

GOALS

- ▶ Develop a professional economic development program
- ▶ Establish strong working partnerships with local and regional allies to promote economic development
- ▶ Become a recognized leader in economic development within the region

Recommendations

1. Consider various options for enhancing and expanding economic development efforts. Currently, the City relies largely on its Chamber and the regional Baton Rouge Area Chamber of Commerce. The Zachary Chamber is presently operating under severe budgetary constraints and, therefore, has insufficient resources to conduct a high quality, full-service, and professional economic development program. The Baton Rouge Area Chamber, on the other hand, is a well-established program whose mission is to serve the entire parish. This regional mission, however, inevitably limits its degree of focus on Zachary and the attention the community needs for its economic development efforts. This

is not to say that Zachary should discontinue its existing relationship with the regional Chamber. Only the Baton Rouge Chamber has the name recognition and resources to properly promote economic development to a wide, national audience. Zachary should expand on its relationship with the Baton Rouge Chamber. At the same time, the community should consider establishing a local program to act as a partner with the regional Chamber and promote local economic development interests. Without a local program, the City will face considerable difficulties in completing many of the recommendations of this chapter. The community has at least three options for enhancing local efforts: 1) provide funding for the Baton Rouge Chamber to establish an office in Zachary; 2) establish an in-house economic development staff position within the City; or 3) increase funding to the Zachary Chamber to enable it to hire a certified economic development officer and perform necessary functions.

2. Develop a formal incentives policy that is carefully crafted in a transparent manner to ensure net fiscal, economic, and social benefits to Zachary taxpayers. The following principles should be considered: 1) the targeted investment would not occur without the incentive; and 2) the investment should generate new economic activity instead of displacing existing businesses. When creating an incentives deal for a particular prospect, the following items should be included: 1) a statement demonstrating how the proposed incentive relates to broader economic development strategies; 2) a formal cost/benefit estimate weighing the estimated direct/indirect benefits (e.g., tax base enhancement, increase in retail sales, increase in wage rates, etc.) to the incentive costs (e.g., tax abatements, training subsidies, infrastructure improvements, etc.) associated with a particular deal; and 3) a “clawback” agreement that guarantees the recovery of incentives funds if the firm makes fewer hires or investment expenditures are less than promised.
3. Strengthen Zachary’s leadership base and deepen the business community’s involvement in economic development. Promoting and retaining leadership is a long-term, but invaluable, component to economic development. Without committed leaders, economic development practitioners often find themselves lacking the necessary public and political support to undertake needed initiatives. Local leaders can assist in advocating for the improvement of a local business climate and can also be effective in marketing Zachary in the course of their business-related interactions. One method for raising awareness of economic development issues and building support among Zachary’s leadership and citizenry is through the establishment of an annual event to keep business leaders and citizens informed of specific economic opportunities and challenges. This event could include information regarding key economic trends and business climate issues (e.g., taxation, initiatives, business announcements, etc.), serve as a rally to build support for specific initiatives, and provide a forum for celebrating successes.
4. Enhance and expand leadership training programs and networking opportunities, especially those that help identify and prepare young professional adults for future positions of leadership. This will be increasingly important as the community continues to draw young families to the City. Initiating young professionals early about the City’s direction and goals and increasing their involvement in the community will result in greater support and understanding of Zachary’s long-term economic development goals.

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Stimulating Activity in Downtown

The redevelopment and revitalization of Downtown should be considered one of the best opportunities to retain and enhance identity as a distinct community within the rapidly sprawling northern East Baton Rouge Parish. By committing to a more compact urban form, Zachary can influence development patterns toward the City's center and away from unincorporated areas surrounding the community. At the same time, focusing economic activity in the Downtown area will also bring a unique opportunity to develop a stronger sense of place. This goal also has clear economic development value. The value this brings to economic development is that it clearly communicates to both businesses and investors that the City is devoted to excellence.

The City should encourage the establishment of a new vision for its historic area that embraces the following principles: 1) redeveloping underutilized and vacant properties and buildings; 2) upgrading the overall appearance of the Downtown area; 3) protecting the significant private and public investments that have already occurred in the Downtown area over the years; 4) increasing retail, dining, entertainment, housing, and professional office options; and 5) and assuring that the Downtown's position as a primary hub for civic life will be maintained and enhanced.

GOALS

- ▶ Develop a vision for Downtown as the established hub for civic, social, and economic life
- ▶ Develop a retail recruitment strategy for Downtown
- ▶ Redevelop strategic intersections and sites throughout Downtown and the surrounding area
- ▶ Promote a Downtown location for any proposed new transit facilities

Recommendations

1. Establish a Downtown Zachary Task Force (comprised of the Zachary Chamber, major Downtown property owners, Downtown businesses, local public officials, City staff, and other local allies). The purpose of the Task Force should be to establish a vision for Downtown as a viable economic center for the City and surrounding area, identify potential funding sources for revitalization efforts, and promote public and private investment in the Downtown area. Proposed strategies for raising awareness of Downtown include:
 - a. Developing a retail strategy to assist existing businesses and to promote the attraction of new retail establishments in Downtown. Consideration should be given to hiring a Downtown retail consultant to assist in crafting this strategy.
 - b. Assisting in establishing new special events and supporting existing ones, such as ZFest, to bring activity Downtown (e.g. outdoor festivals, live music, outdoor movies, farmers market, craft fairs, etc.).
 - c. Promoting the redevelopment of strategic sites and key intersections in and around the Downtown area. The Task Force and key allies should work with both public and private property owners to identify, inventory, and prioritize sites at highly visible or strategic locations suitable for redevelopment (e.g., the intersection of LA 19 and LA 64).
 - d. Creating an information packet, including an inventory of priority sites, to provide to commercial brokers, retail site consultants, and franchises seeking locations. Working with the Zachary Chamber and the City to develop marketing materials that promote Downtown as a destination for specialty retail and dining. These materials should be distributed locally and regionally to

- both developers and franchise owners seeking a new location in the Zachary area. Include redevelopment opportunity sites in all marketing materials for Zachary.
- e. Over the long term, encouraging the establishment of a Downtown market space in either an existing or new building to assist local start-up retailers, locally made arts and crafts dealers, and locally grown agricultural products.
2. Consideration should be given to the establishment of a tax increment finance district for Downtown Zachary to develop a mechanism for increasing funding of public improvements in Downtown and making it more attractive to private investors.
 3. Over the long term, consider the development of a joint-use facility or complex occupied by Zachary public sector entities and strategic partners (e.g., new city hall, police station, parish annex office, Zachary Community Schools, etc.) in Downtown. As the community and surrounding area continue to grow, the City, as well as other public sectors entities, will inevitably need to increase staff and space beyond their current uses. The development of a municipal complex would provide a unique opportunity to anchor the Downtown with a significant employment center. This, in turn, would have the effect of intensifying pedestrian traffic in and around the facility and generating increased demand for retail and dining options on adjacent properties. City-owned sites in Downtown should be at the top of the list for consideration.
 4. Promote the development of a light rail or commuter rail station in Downtown Zachary. While it would not be feasible to lead the development of a regional commuter transit system, the City should be ready to respond positively as a willing partner if such a system were to be developed within the Baton Rouge region. Two recent planning documents for Baton Rouge cite the need for the development of such a system. 1) Plan Baton Rouge (2004), a program of the Center for Planning Excellence, cites the potential for the development of a light rail station in Zachary. 2) The Baton Rouge Metropolitan Area Transportation Plan Update (2006) states that “the long range vision for CATS to develop into a regional transportation authority that will operate bus, busways, light rail, park-and-ride facilities, van pools, demand response, and special programs is well on tract.” Nationally, the location of light rail stations are increasingly being viewed as a catalyst for the development of villages in both urban and suburban real estate markets.

Tax Increment Financing (TIF) District:

TIFs are tools that use future gains in taxes to finance the public improvements in targeted zones. When the public improvement is completed, there is an assumed increase in the value of surrounding real estate and often new investment (new or rehabilitated buildings, for example). This increased site value and investment creates more taxable property, which increases tax revenues, which are the “tax increment.” TIFs dedicate that increased revenue to finance debt issued to pay for the project. TIFs are generally designed to channel funding toward improvements in distressed or underdeveloped areas where development would not otherwise occur.

Retaining and Expanding Local Business

Many judge industrial recruitment as the most important aspect of economic development. However, additional opportunities for cultivating economic growth and vitality can lie closer to home. “Economic gardening” is the most overlooked – but often most important – economic development activity. In other words, ensuring the continued prosperity and survival of local employers is crucial to sustaining a healthy economy.

An awareness of existing local businesses’ needs for remaining competitive in their respective industries is essential. In other words, Zachary and the area’s leadership must remain vigilant and responsive to the various issues that affect the profitability and competitiveness of existing employers. Therefore, the City and its economic development partners should build awareness of the needs that existing employers

have and assist to develop policies and mechanisms to support local business and industry. Existing local companies are, by far, the largest and most reliable source for creating new jobs. The fact that the area has recently experienced the shutdown of one major industrial employer only heightens the importance for area economic development interests in understanding how local issues affect the competitiveness of area employers.

At the same time, leveraging existing resources among the local business community – including innovation, knowledge, research, finances, and business and social networks – and matching those resources with opportunities should not be overlooked. The presence of the major employers in the area, as well as the community’s proximity to Baton Rouge, should be treated as unique and primary assets for fostering and enhancing a culture of entrepreneurship.

GOALS

- ▶ Support the retention and expansion of existing businesses
- ▶ Encourage entrepreneurship and small business creation
- ▶ Develop policies and programs in support of local business

Recommendations

1. Establish a formal business retention and expansion program fortified with clear policies and activities to support local employers. Activities should include, at a minimum:
 - a. Maintain an inventory of existing business to 1) ensure an understanding of types of businesses in the community and 2) keep tabs on expansions and layoffs.
 - b. Call on existing employers on a periodic basis to 1) achieve a better understanding of their ongoing challenges and 2) uncover potential opportunities for local expansions.
 - c. Act as a liaison between area workforce development providers and local businesses to ensure their awareness of area resources and communicate the needs of area employers to workforce development providers.
 - d. Work with area taxing jurisdictions to establish formal incentives policies targeted toward local businesses, as well as outside prospects.
 - e. Make sure that local businesses and industries remain aware of any technical and financial assistance programs that are available.
2. Establish an entrepreneurship program to facilitate local business start-up activity. One way for jumpstarting this effort would be the development of an Entrepreneur’s Forum where individuals can network and discuss key issues relevant to their efforts. This forum should be lead by the Zachary Chamber with assistance from the local Small Business Development Center (SBDC) and meet with current and potential entrepreneurs in the area to better understand issues affecting their business decisions and provide networking opportunities for area professionals and emerging entrepreneurs. The Chamber should consider itself as an advocate for local entrepreneurs and act as a liaison between them and area governments by facilitating in the provision of local government assistance and helping address issues and challenges. The Chamber is also encouraged to consider sponsoring an annual awards program for area entrepreneurs and small businesses for the most innovative and creative concepts and products.

Leveraging and Expanding Educational and Workforce Development Assets

The importance of educational institutions and workforce training resources cannot be overstated. Employers must be assured access to trainable workers. At the same time, young adults, families with children, and even retirees are all drawn to locations that offer access to educational opportunities. As a result, it is imperative that the City and area partners remain supportive of Zachary Community Schools.

Area leaders should continue to strive for excellence in education, as well as workforce training programs, to meet long-term economic development goals. This is especially important if Zachary is to emerge as a business anchor for the northern Baton Rouge region. For this to be achieved, Zachary must be an attractive destination for regional talent, which would help the area retain existing employers and attract new industry.

GOALS

- ▶ Solidify and promote Zachary's status as a community that offers excellence in public education
- ▶ Establish workforce development and other training programs to meet the needs of existing area employers
- ▶ Position Zachary as a site for a future community college campus

Recommendations

1. Continue to support and promote excellence in the public schools by coordinating City services and infrastructure in support of school facility expansions. In addition, the City and Chamber should continue to promote Zachary's public schools as part of the community's overall economic development marketing efforts. Prior to doing this, the City and Chamber should meet with area school officials to establish a coordinated marketing message, as well as offer assistance in the creation of new marketing materials for Zachary Community Schools.
2. Assist in the facilitation of an annual Zachary Workforce Development Summit to: 1) better understand the labor force availability, talent assets, and training capabilities available for potential employers; and 2) maintain and solidify existing cooperative relationships between Louisiana Workforce Commission, Baton Rouge Area Chamber, Zachary Chamber, the school district, Baton Rouge Community College, and the business community. The primary purpose for this summit is to ensure that area businesses are made aware of any potential workforce development incentives (i.e., customized training incentives, tuition reimbursable tax credits, etc.) that are available to Louisiana businesses and that area training programs continue to match business needs in Zachary.
3. Encourage Zachary Community Schools and the Baton Rouge Community College to consider supporting the establishment of new or the expansion of existing internship/apprenticeship programs (if a demonstrated need is determined through a workforce development conference) that aid in the placement of vocational/technology students with area employers.
4. Assist in the promotion and establishment of a branch campus of Baton Rouge Community College. Specific training and educational programs should be closely considered at the proposed branch, including nursing programs in conjunction with Lane Memorial Hospital, as well as other workforce development training programs. It is recommended the City open a dialogue with potential partners, including Baton Rouge Community College, Georgia Pacific, ExxonMobil, Zachary Community Schools, and Lane Memorial Hospital, to gauge their interest in collaboratively supporting the establishment of a branch campus in Zachary. The City and supporting businesses, however, should recognize that the establishment of a full-fledged branch campus may require a sustained, long-term

effort. In the interim, consideration should be given to identifying an underutilized building to serve as a potential workforce training site.

Providing Adequate Sites and Infrastructure

Zachary is in an enviable position of being “in the path of growth” of one the largest and fastest growing metropolitan regions along the Central Gulf Coast. To this point, however, a majority of Zachary’s and the area’s growth has been limited to residential development. While the area is fortunate to be a prime location for new neighborhoods, providing services to support residential needs is a difficult proposition for communities with a limited tax base. In addition, balancing the need for commercial sites with the desire of residents to protect their investments from incompatible uses is also a challenge.

Zachary is well-positioned to become the northern business anchor of the Baton Rouge MSA.

Already Zachary is beginning to reap the rewards of its location and strong population growth. Evidence for this includes the recent and ongoing Lane Memorial expansions, as well as the potential for a new mixed-use development on the western fringes of the City. Clearly, Zachary is well-positioned to become the northern business anchor of the Baton Rouge MSA.

These significant developments alone, however, will not be sufficient to carry out that vision. One of the most critical efforts will be to ensure that adequate sites for business and industrial development are available in the face of rapidly increasing residential growth. Developing a mechanism for identifying and retaining strategic sites will help Zachary develop a balanced, sustainable economy and tax base. Therefore, the City must determine the feasibility of developing a modern business park to stimulate employment growth. In addition, the City should consider working with East Baton Rouge Parish and the Baton Rouge Area Chamber to identify and promote additional sites outside the City. Developing a business park, however, can be a costly venture. As a result, the City must carefully weigh various options for the timing and location of a business park. Entering into a public/private partnership with a developer presents a potential option for lowering the financial burden on local tax payers.

GOALS

- ▶ Develop a modern, fully serviced business park to promote the creation of primary job opportunities
- ▶ Develop a collaborative, working relationship with the Baton Rouge Area Chamber and East Baton Rouge Parish to promote other sites for private development within the area

Recommendations

1. The City should play an active role in the development of a business park within its jurisdiction or zone of influence. One means for accomplishing this would be the development of City-owned sites for new and/or expanding businesses in Zachary. It is recommended that a Business and Industrial Sites Task Force be established and comprised of relevant City officials and staff, area business leaders, the Baton Rouge Area Chamber of Commerce, property owners, local residents, and neighborhood associations to gauge and build support for the need for new business sites in Zachary. The Task Force should assist in determining the desirability and feasibility of the various options for the development of business sites with consideration for the growth and development policies of this plan and management and ownership of the site(s) (i.e., City-owned and developed, a public-private partnership, privately developed and managed, etc.). Once these issues have been resolved, the Task

Force should identify appropriate sites for the development of a new business park in Zachary. This evaluation process should include, at a minimum, infrastructure availability at each site, including electricity, natural gas, water/wastewater, road, and telecommunications.

2. Zachary should open a dialogue with the Baton Rouge Area Chamber of Commerce and East Baton Rouge Parish to develop a working relationship and understanding for the appropriate development of business and industrial sites beyond the City limits. This is strongly encouraged for two primary reasons. 1) A recent study entitled “Pursuing Excellence in Business Development,” commissioned for the Baton Rouge Area Chamber, found that a critical shortage of suitable business sites exists in the Parish. Specifically, the report stated “East Baton Rouge Parish must invest in new product, and specifically greenfield site development and industrial parks with all infrastructure for potential corporate investment.” This opinion was echoed in conversations with the Baton Rouge Area Chamber and highlights the strategic importance of available land in the Zachary area, specifically sites along U.S. 61. The vitality of such sites will directly influence the economic conditions in Zachary and employment opportunities for its citizens. 2) The second reason that the City should be involved in these decisions is to ensure that local preferences are taken into consideration. In other words, the City should insert its involvement to demonstrate the community is a reliable economic development partner and as a defensive measure to protect its quality of life and community character.

Raising an Awareness of Opportunities

As with all successful marketing, it is critical to identify target audiences and focus efforts on them. The primary target audiences for Zachary should be: 1) local and regional business leaders who can influence business location and other investment decisions; 2) key allies, such as state and regional economic development organizations; 3) members of the region’s various media; and 4) decision makers at companies within the target industries.

The most important target audience should be the people and businesses who are already invested (either financially or emotionally) in the community. They are also who represent Zachary on a daily basis in their business and personal interactions –regionally, nationally, and internationally. A sustained internal marketing campaign should be undertaken to generate and promote a positive image of Zachary. Making sure that existing residents and local business leaders have a positive image of the community is critical to the success of any external campaign as these are the people who can best tell the “Zachary story” to the outside world.

Zachary must set itself apart from the competition throughout the region. The most effective marketing strategies are those that promote specific initiatives and opportunities. In other words, the various target audiences must be swayed by the message that their interests can be maximized by investing social and economic capital in Zachary. Specific initiatives or projects that could be considered for highlighting include: redevelopment opportunities in Downtown; properties along U.S. 61; and a potential future business park.

GOALS

- ▶ Position Zachary as the anchor for the northern Baton Rouge region
- ▶ Obtain support for economic development among Zachary’s residents and leadership
- ▶ Heighten awareness of Zachary throughout Louisiana as an excellent business location with a high quality of life

Recommendations

1. Build consensus for a primary theme/message for marketing Zachary. Marketing themes and messages should be intrinsically linked to the vision the community has adopted. This Plan recommends the following economic development vision statement: *Zachary will be the northern anchor of the Baton Rouge region, providing opportunities for excellence in living, education, healthcare, business, shopping, and recreation.* If the City and its economic development allies determine this is a suitable economic development vision, it is recommended that consideration be given to the development of a branding/image theme that supports this vision statement and promotes Zachary and the surrounding area's key economic development assets and amenities. Once an economic development theme/message has been chosen, it should be incorporated within current and future marketing materials for the City and Chamber.
2. The City and Chamber should focus their marketing efforts on promoting and enhancing Zachary's image, primarily in the Baton Rouge area. Assets such as the school district, proximity to Baton Rouge, existing area businesses, Downtown Zachary, and distinct development opportunities should be promoted. The primary goal for these marketing efforts is to raise awareness of Zachary as a community focused on high-quality developments that offers a favorable business climate. While perceptions of Zachary in the Baton Rouge region are largely positive, the prevailing image appears to be that the community is somewhat isolated and "out-of-the-way." Marketing efforts should be devoted to altering this regional perception.
3. The City and its target sector marketing efforts should be closely coordinated with the efforts of the Baton Rouge Area Chamber of Commerce. This recommendation is the result of both pragmatic and strategic decisions. Successful national target sector marketing requires a significant budget and is often aided by established name recognition. While Zachary is known in the region for its excellent schools, awareness of the community outside the State is low. Overcoming this lack of awareness would be too costly and time consuming for the City to accomplish. This makes sense from a strategic perspective in that the City's long-term success will largely be the result of external influences from Baton Rouge. In other words, Zachary's economic development successes hinge on the achievements of regional economic development efforts. Establishing a reputation as a reliable partner in regional economic development will be essential for Zachary in diversifying its economy through quality developments and higher-wage businesses.

Overview of Conditions

Zachary has historically been viewed as a rural community with a high quality of life. At the same time, the presence of major industrial employers in the northern parish, such as Georgia Pacific and ExxonMobil, has provided job opportunities for local residents. Its image as a small, isolated community lying on the fringes of a larger metropolitan area is, however, no longer the case. Already, the community

Protecting Zachary's quality of life, promoting the prosperity of its citizens, and diversifying the tax base will be the community's greatest challenges in the coming years.

is experiencing intensifying suburbanization pressures as new developments spread north. Zachary's high-quality public schools and its proximity to Baton Rouge have contributed considerably to its attractiveness to new residents. An assessment of the region's economic and demographic trends reveals that the Baton Rouge metropolitan area is well-positioned over the long-term to become the leading economic

growth center in the State. Given an expanding area-wide recognition of Zachary's quality of life attributes, it is likely that the community will experience continued growth.

Zachary's political and business leadership must recognize that the City lies directly in the path of growth – bringing with it both great opportunities and challenges. Future expansions in retail and housing are obvious opportunities. Ongoing and potential infrastructure improvements, such as the new Audubon Bridge and the I-10 loop, will continue to present opportunities, as well as challenges. Protecting its quality of life, promoting the prosperity of its citizens, and diversifying the tax base will be the greatest challenges in the coming years. In other words, balancing business expansion and attraction opportunities, a need for a diversified and sustainable tax base, and the desire for an enhanced quality of life will determine the success of Zachary's long-term economic development efforts.

Recommended Policies

Economic development goals, strategies, and actions must be driven by a clear vision. While conceptually this makes sense, the more practical value of a vision is in directing community resources. As a result, successful vision statements are bold and provide clear direction for economic development efforts and can be supported by realistic goals and strategies. The following vision achieves these objectives:

Zachary will be the northern anchor of the Baton Rouge region, providing opportunities for excellence in living, education, healthcare, business, shopping, and recreation.

This statement presents a clear focus for Zachary's economic development efforts: diversifying the tax base, while at the same time continuing to support and enhance the area's already strong quality of life amenities. Due to its strategic location, Zachary can also reposition itself as an emerging center for activity on the northern side of the Baton Rouge region.

This vision, however, can only be fulfilled if appropriate and realistic goals and strategies are established. Diversifying the tax base must continue to be a principle goal for long-term economic sustainability due to the ongoing need to fund important infrastructure improvements and provide critical public services. Achieving this goal will require economic development efforts that help shift the burden of property taxes from the homeowner to a more balanced tax base with greater contributions from business and industrial enterprises. At the same time, Zachary cannot afford to lose focus of the qualities that have made it so desirable for both long-term residents and newcomers: quality neighborhood environments served by exceptional public schools.

This chapter provides an array of strategies for enhancing the business climate and diversifying the tax base. It includes both traditional and non-traditional recommendations with a view toward establishing an environment that fosters long-term economic sustainability and vitality. Each strategy is coupled with the objective of improving Zachary's long-term economic vitality and livability. Finally, this chapter is integrated with the rest of the plan by highlighting the importance of growth management and preserving community character.

The following goals will support the economic development vision, provide a strong framework for strategies and actions, and reflect the desire of its citizens to enhance the community's quality of life:

- ◆ Promoting the importance of economic development
- ◆ Stimulating activity in Downtown
- ◆ Retaining and expanding local business
- ◆ Leveraging local and regional educational and workforce development assets

- ◆ Providing adequate sites and infrastructure
- ◆ Raising an awareness of opportunities

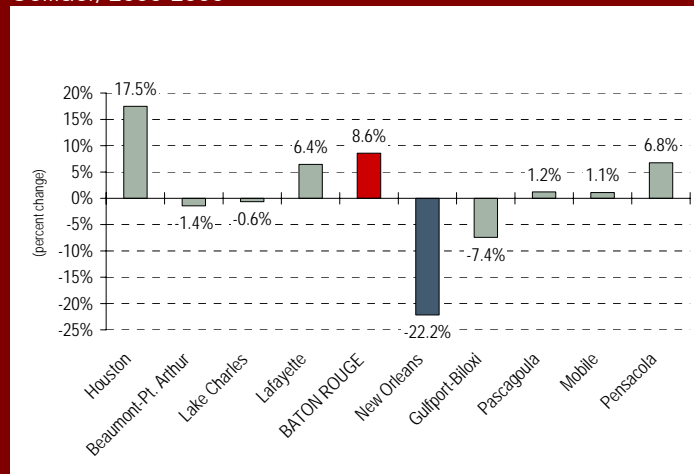
The following target sectors were determined to represent the best (both long- and short-term) opportunities for expanding business within Zachary and the surrounding area:

- ◆ Healthcare Services
- ◆ Retail and Leisure
- ◆ Professional Services
- ◆ Machinery/Specialty Machining
- ◆ Advanced Materials

Assessment: Demographic and Economic Trends

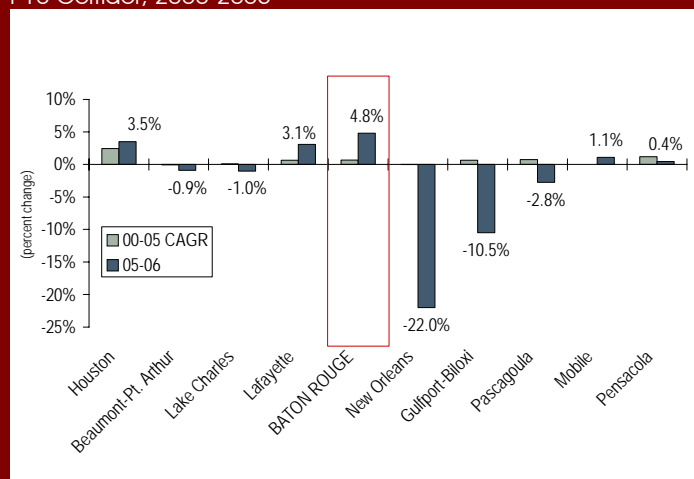
To understand the opportunities available, an assessment of the area’s demographic and economic trends was conducted. The purpose of the assessment was to identify Zachary’s unique economic strengths and

Figure 7.1, Population Change in Metro Areas along I-10 Corridor, 2000-2006



Source: U.S. Census

Figure 7.2, Population Comparison between Metro Areas along I-10 Corridor, 2000-2006



Source: U.S. Census

weaknesses in the context of the regional and national economies. The assessment team relies on the most current and accurate data sources (proprietary and public) covering these attributes that most clearly demonstrate Zachary’s recent economic performance in relation to the broader region. This quantitative analysis includes a review of existing economic and demographic data, such as population and employment growth and distribution, and labor conditions in Zachary, East Baton Rouge Parish, and the surrounding metropolitan region, which was supplemented by the following activities to form the recommendations:

- ◆ Tours of Zachary area sites to better understand the community’s economic development product from a real estate standpoint, and
- ◆ Focus group meetings and interviews with area residents, business leaders, and economic development experts to help establish priorities for appropriate goals and objectives.

Regional Population

Trends

The last few years have brought a dramatic shift in the central Gulf Coast region’s population (defined here as the I-10 corridor from Houston to Pensacola). From 2000 to 2006, the region’s largest metropolitan statistical area (MSA), Houston, experienced a 17.5 percent population increase,

while the second largest, New Orleans, saw a dramatic 22.2 percent decrease. At the same time, the Baton Rouge MSA welcomed an 8.6 percent population growth rate as displayed in **Figure 7.1, Population Change in Metro Areas along I-10 Corridor, 2000-2006**. These population shifts are undoubtedly related to the effects of Hurricanes Katrina and Rita, but underlying regional trends had already influenced growth patterns throughout the central Gulf Coast region. **Figure 7.2, Population Comparison between Metro Areas along I-10 Corridor, 2000-2006**, indicates that only the Houston MSA was experiencing at least moderate population growth from 2000 to 2005 with a 2.5 percent compounded annual growth rate (CAGR). The Baton Rouge and Pensacola MSAs rounded out the top three fastest growing MSAs, each experiencing a 0.7 percent annual increase in population. During the two hurricanes, however, Baton Rouge’s population grew 4.8 percent, making it the fastest growing MSA along the central Gulf Coast from 2005 to 2006.

Strategic Implications

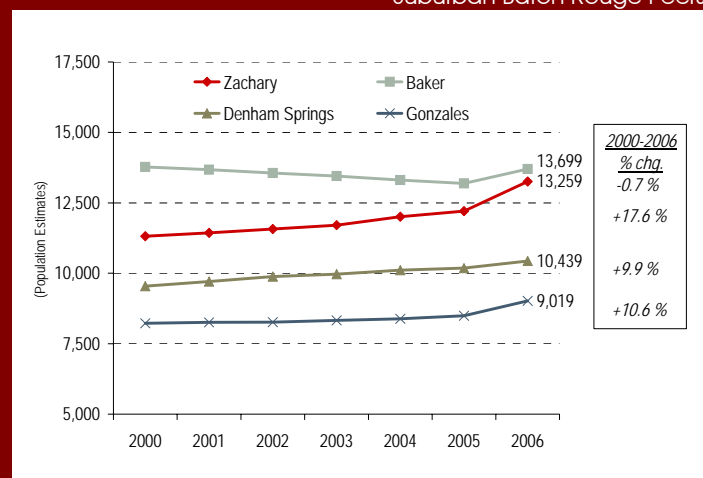
Understanding wider regional population trends provides the necessary context for determining aspects of local growth potential. The effects of hurricanes in recent years have been appreciable: slower population growth in communities located within close proximity of the coast. The impact of the hurricanes appears to be that both individuals and businesses are reconsidering potential relocation decisions to coastal and near-coastal communities. But recovery efforts along the coast are still underway. It may, therefore, be too soon to definitively determine long-term impacts; however, substantial barriers to entry are being erected (e.g., higher insurance rates). These trends appear to favor cities like Baton Rouge and Zachary that are located far enough away from the coast to avoid immediate danger of coastal flooding and that offer an excellent infrastructure network that enables them to serve as economic centers for the wider region. As a result, future economic growth prospects for the entire Baton Rouge MSA appear favorable over the long term if the metropolitan area is able to position itself as a population growth center. If this is achieved, then Zachary will likely become a leading destination for new residents.

Local Population

Trends

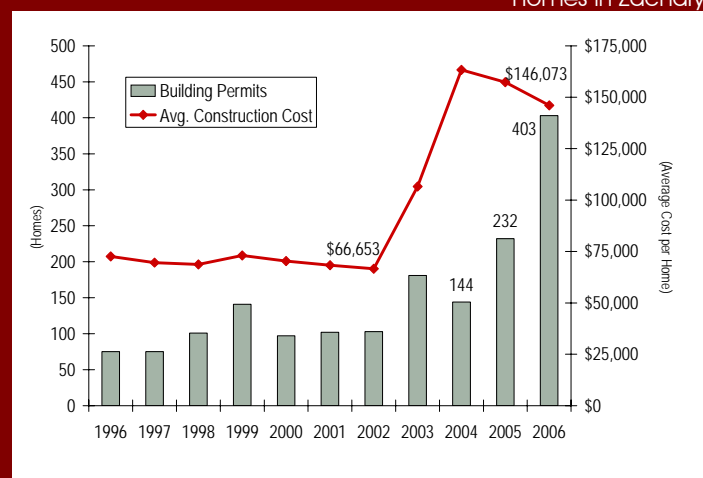
Zachary ranks second in population size among the four largest suburban communities in East

Figure 7.3, Population Growth, Mid-Year Estimates 2000-2006, Suburban Baton Rouge Peers



Source: U.S. Census

Figure 7.4, Single-Family Building Permits 1996-2006, New Homes in Zachary

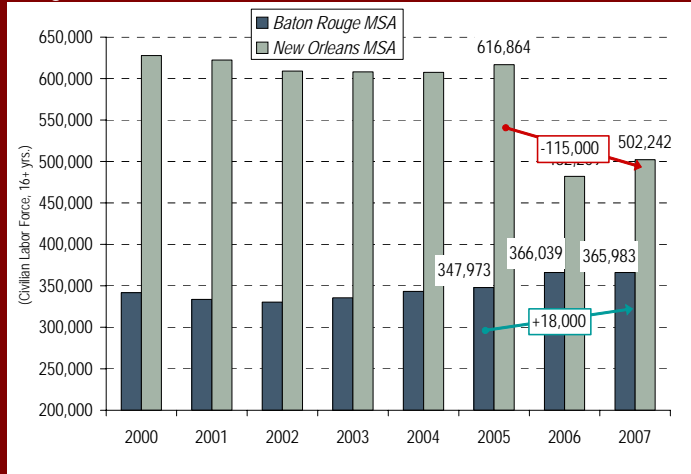


Source: U.S. Census

Baton Rouge Parish. From 2000 to 2006, Zachary added 1,984 new residents, a 17.6 percent increase as shown in **Figure 7.3, Population Growth, Mid-Year Estimates 2000-2006, Suburban Baton Rouge Peers**. Zachary's growth rate during this period made it the second fastest growing city in the state with a population of 10,000 persons. At the same time, it gained more residents than all but three cities in Louisiana, regardless of size. While Zachary remains the second largest community in the parish, its growth curve steepened in 2006, enabling it to nearly match Baker in overall size. These data indicate that Zachary will soon become the most populous of Baton Rouge's four major suburbs. Clear evidence of this rapid population growth can be seen through the rise in single-family building permits, exhibited in **Figure 7.4, Single-Family Building Permits, 1996-2006, New Homes in Zachary**. Throughout the late 1990s and into 2002, the number of single-family permits in Zachary remained nearly constant. In 2003, however, the number of permits began to increase greatly. By 2006, single-family permit activity in Zachary had increased fourfold from previous years, while the average permit value more than doubled.

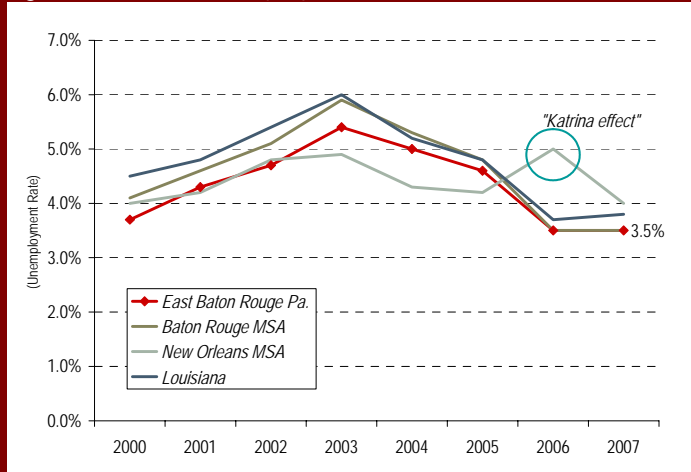
Strategic Implications

Figure 7.5, Change in Regional Labor Force 2000-2007, Baton Rouge and New Orleans Metro Areas



Source: U.S. Bureau of Labor Statistics

Figure 7.6, March Unemployment Rates, 2000-2007



Source: U.S. Bureau of Labor Statistics

Recent trends indicate that Zachary is evolving into a leading suburban destination. Given the timing of recent accelerations in both building permits and population growth, it is likely that the founding of Zachary Community Schools has played a significant role. This, coupled with the potential for the Baton Rouge MSA emerging as a leading economic center along the central Gulf Coast, the possibility exists that growth pressures in Zachary could further accumulate. As a result, it will become increasingly important for the community to plan for the future to protect and enhance its character and livability while, at the same time, diversifying its tax base to finance necessary infrastructure improvements.

Regional and Local Labor

Trends

Figure 7.5, Change in Regional Labor Force 2000-2007, Baton Rouge and New Orleans Metro Areas, reveals that, in leading up to 2005, little change occurred in the labor markets for Southeastern Louisiana's two urban areas: New Orleans and Baton Rouge. Hurricane Katrina, however, caused a 28 percent decline in New Orleans' labor force from 2005 to 2006. Only a small portion of those New Orleans workers remained within the wider region, and Baton Rouge only experienced a five percent increase in its labor pool. As a result, the combined labor force of New Orleans and Baton

Rouge was nearly 100,000 less in March 2007 than in March 2005. The departure of workers and those seeking work has forced down unemployment rates in both cities. For example, East Baton Rouge Parish’s unemployment rate stood at 3.5 percent in March 2007, as shown in **Figure 7.6, March Unemployment Rates, 2000-2007**, it’s lowest March unemployment rate since 1999.

Strategic Implications

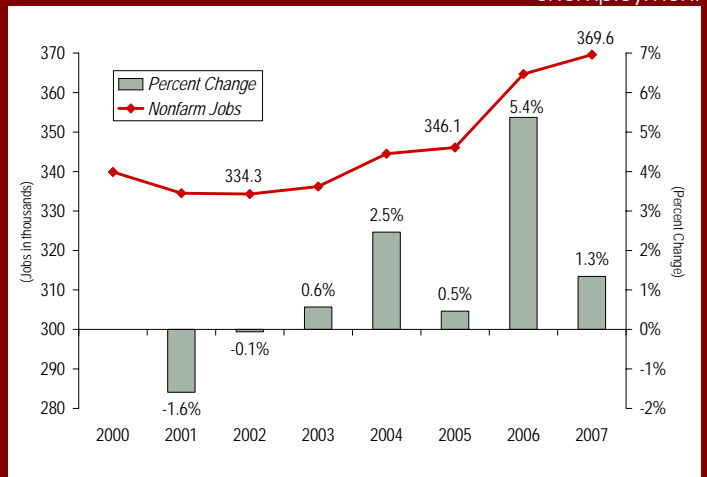
These data indicate that labor availability may become a long-term issue for Southeast Louisiana. It is also likely that, in the near future, labor shortages might become the norm across the nation as the “baby boom” generation begins to exit the workforce. As a result, competition for skilled workers and young talent will intensify and employers across the country will find it increasingly difficult to replace retirees. Consequently, Southeast Louisiana Communities like Zachary should focus on assising employers to create higher paying jobs to attract workers from outside the region. At the same time, Zachary and other communities need to place increasing focus on improving community character to be more attractive to potential residents. Zachary and Southeast Louisiana communities should, therefore, emphasize the retention and development of skilled workers. Zachary is fortunate that it can call upon its high quality of life with its excellent schools and new neighborhoods to make it an attractive choice for new residents and workers.

Metro Area Employment

Trends

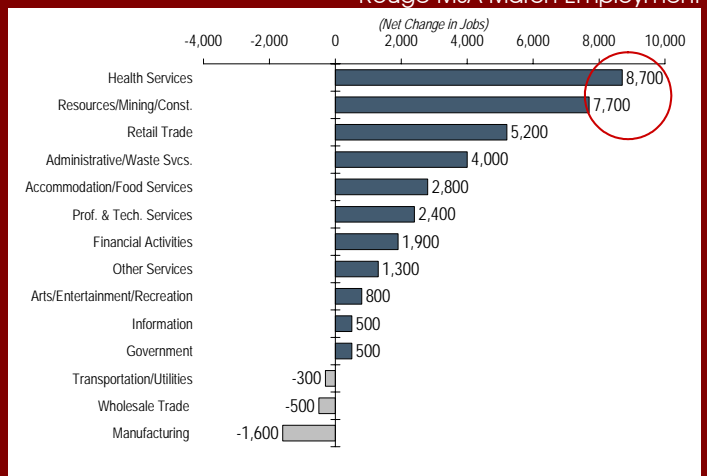
Since 2003, the Baton Rouge MSA has added over 33,000 new jobs, representing a 9.9 percent increase as reflected in **Figure 7.7, Baton Rouge MSA Employment 2000-2007, March Unemployment**. This recovery from the last recession arrived in two bursts of job creation: 2004 and 2006. Nearly 50 percent of the new jobs

Figure 7.7, Baton Rouge MSA Employment 2000-2007, March Unemployment



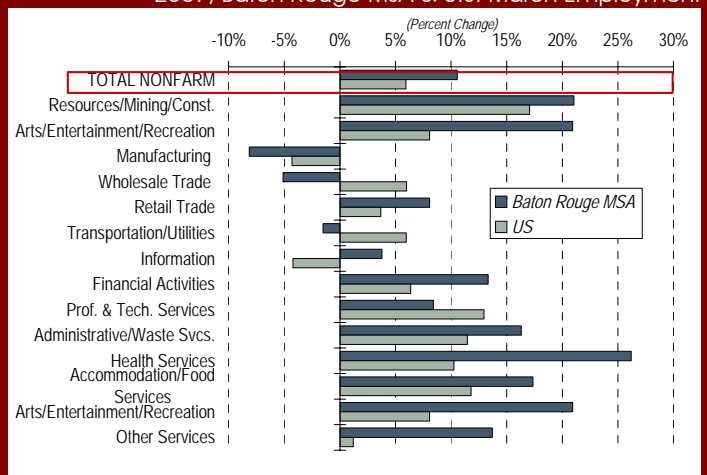
Source: U.S. Bureau of Labor Statistics

Figure 7.8, Employment Change by Sector 2003-2007, Baton Rouge MSA March Employment



Source: U.S. Bureau of Labor Statistics

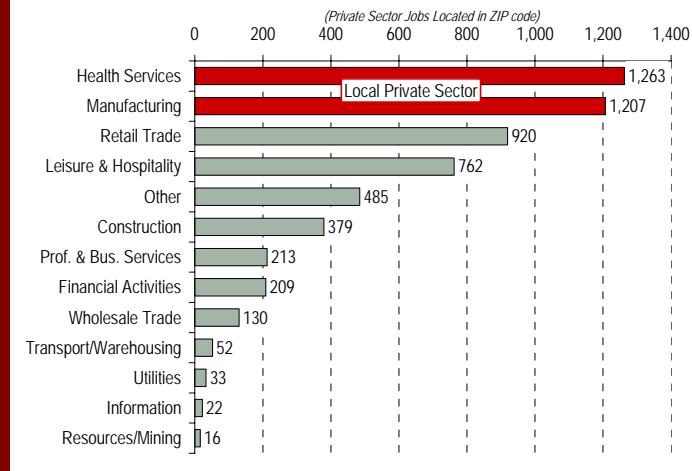
Figure 7.9, Employment Growth Comparison by Sector, 2003-2007, Baton Rouge MSA & U.S. March Employment



Source: U.S. Bureau of Labor Statistics

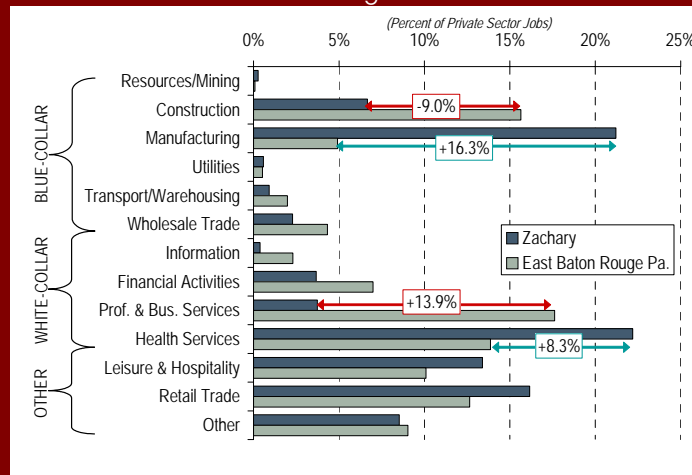
were created within Health Services and Resources/Mining/Construction, as shown in **Figure 7.8, Employment Change by Sector 2003-2007, Baton Rouge MSA March Employment**. Other strong employment generators included Retail Trade and Administrative/Waste Services. Other traditionally blue-collar sectors (aside from Resources/Mining/Construction) experienced net decreases in employment from 2003-2006. For example, the number of manufacturing jobs in the metro area declined by 1,600 during this period. A comparison of job growth rates between the Baton Rouge MSA and the nation by industry sector (See **Figure 7.9, Employment Growth Comparison by Sector, 2003-2007, Baton Rouge MSA & U.S. March Employment**) reveals that the region’s job losses in Manufacturing were comparable to national trends. Overall, the metro area’s non-farm job base increased 10.6 percent, nearly doubling job growth nationally. In terms of growth rate, the Baton Rouge area’s strongest employment sectors were Health Services, Resources/Mining/Construction, and Arts, Entertainment, and Recreation; however, growth was widespread throughout the economy. In fact, all but four sectors (Professional and Technical Services, Transportation and Utilities, Wholesale Trade, and Manufacturing) outpaced national growth rates.

Figure 7.10, Zachary Employment Sector 2005, Zip Code 70791



Source: U.S. Census Bureau and TIP Strategies

Figure 7.11, Employment Distribution Comparison 2005, Zip Code 70791 and East Baton Rouge



Source: U.S. Census Bureau and TIP Strategies

Strategic Implications

Metro area employment conditions have improved dramatically in recent years, led by growth in a number of sectors including Retail Trade and Resources/Mining/Construction. Other traditionally blue-collar industries, however, have seen declines. This would indicate that the Baton Rouge economy is in a period of transition, moving toward a more services-oriented economy. These trends will directly impact Zachary’s employment growth and tax diversification prospects.

Local Employment

Trends

A plurality of local private sector jobs – as represented by the Zip code in which Zachary is located – is in two industries: Health Services and Manufacturing, as displayed in **Figure 7.10, Zachary Employment Sector 2005, Zip Code 70791**. Other leading employment sectors are Retail Trade and Leisure and Hospitality. Together, these four industries represent nearly three-quarters of all private sector jobs in the Zachary area. A comparison of Zachary’s employment distribution with that of East Baton Rouge Parish, shown in **Figure 7.11, Employment Distribution Comparison 2005, Zip Code 70791 and East Baton Rouge**, reveals that that the local area’s job picture largely reflects the Parish’s, except within four industry sectors. Locally, Manufacturing and

Health Services is several percentage points higher than throughout the Parish. At the same time, the share of jobs in Construction and Professional and Business Services lag sharply behind the surrounding area.

Strategic Implications

An apparent contradiction exists within Zachary, especially in terms of the concentration of manufacturing and other blue-collar jobs located within the Zachary area (as defined by its Zip code) versus trends indicating the community is becoming a higher income suburb to Baton Rouge. On the other hand, the concentration of healthcare-related jobs in Zachary would appear to complement the suburbanization trends and may present an opportunity that can be leveraged for economic development in the community. Given these trends, local economic development activities should focus on assisting in the stimulation and maturation of the local services sector, including financial and professional and business services, as a means for bringing higher paying jobs to the area. While an initial step might be to aim toward firms that meet local market demand, Zachary could position itself over the long term in garnering interest from corporate business service firms who work in a wider, regional market. In order to accomplish this, Zachary must improve to identify and develop a “prestige” site with high visibility that could eventually attract investment. This should, however, be considered a long-term economic development goal.

Target Sectors

It is recommended that Zachary pursue the following target sectors, as they present the best opportunities for business retention, expansion, and attraction activities to the area. These industries were selected for their ability to serve a dual purpose: 1) to bolster and diversify the area’s economy over the short term by taking advantage of existing assets and 2) to provide a pathway to sustained economic growth over the long term. In addition, community character factors were heavily weighed against mere job growth goals due to the stated desire of residents to maintain and enhance the community’s quality of life. As a result, several target sectors can be seen as non-traditional economic activities more than as “basic” or “primary” industries.

- ◆ Healthcare Services
- ◆ Retail and Leisure (Downtown)
- ◆ Professional Services (locally serving)
- ◆ Machinery/Specialty Machining
- ◆ Advanced Materials

Healthcare Services

Access to healthcare, both primary care and emergency care, is viewed as a quality of life issue for residents and an economic issue for communities. The presence of healthcare facilities is also seen as key in location decisions for most industries. While access to healthcare is an important factor in corporate location decisions (67.2 percent of respondents in Area Development’s annual corporate survey rated health facilities as “important” or “very important” in 2002 – up from 65.3 percent in 2001), it is less critical

This sector includes establishments providing health care for individuals, including ambulatory health care services and hospitals. The services provided by establishments in this sector are delivered by trained professionals. All industries in the sector share this commonality of process; namely, labor inputs of health practitioners with requisite expertise. Many of the industries in the sector are defined based on the educational degree held by the practitioners included in the industry.

than other business-related factors such as availability of skilled labor (90.9 percent) and highway accessibility (86.6 percent).

With the continued loss of manufacturing jobs, once the most critical driver in local economic development, communities are becoming increasingly reliant on the healthcare industry as a source of employment and tax revenue. Growth in the U.S. healthcare sector is largely driven by two major factors: population growth and an aging population. As the baby boom generation approaches retirement age, a larger share of all consumer spending in the nation is being spent on healthcare related expenses. In addition, healthcare includes many occupations that offer relatively high wages and abundant career-ladder opportunities.

Rationale and Considerations

1. Planned expansions at Lane Memorial Hospital and the positioning of Zachary as the northern healthcare hub for the Baton Rouge region.
2. Strong regional population growth and local affluence.
3. High-quality housing and schools, making it a more desirable location for healthcare professionals.
4. More office space, especially Class A and B, will be needed in the Zachary area for it to capture additional growth from this sector, especially among specialty clinics and providers.
5. The establishment of a nursing program through the development of a Zachary satellite of Baton Rouge Community College (BRCC).

Potential Niches

1. Specialty clinics.
2. Medical and diagnostic labs.
3. Allied health.
4. Fitness, nutrition, and wellness clinics/facilities.

The retail trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

The leisure sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises 1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; 2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and 3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Retail and Leisure

The retail trade and leisure sectors have been among the leading national job creators during the last several years, driven by increased consumer spending and population growth, especially in locations with natural and/or man-made amenities. While these industries are not known for offering high wage jobs, they remain important to local government for their contributions to sales.

In addition, retail and leisure are increasingly being viewed as amenities that a community cannot do without. When searching for a new home, potential

residents (both singles and families) strongly take the available shopping amenities into consideration. As a result, employers – who are interested in retaining and recruiting workers – have come to realize the importance of retail and leisure assets.

Retail and leisure amenities also strongly influence the attraction of visitors and, eventually, retirees. Increasingly, communities are coming to realize the potential for linking these two groups. Over time, a tourist who frequently visits a place begins to adopt a notion of brand loyalty for that community or destination which can, in turn, strongly influence retirement location decisions. Today's retirees are much more affluent than past generations and are more likely to increase consumer spending in the area, especially increasing demand for the region's healthcare economy. The leading edge of baby boomers is set to retire soon, but analysts expect the nature of their retirement to be distinctly advantageous as they are anticipated to be more active community participants and more likely to start up new business enterprises.

Rationale and Considerations

1. Solidify existing status as a retail trade center for the northern tier of the Baton Rouge MSA and outlying rural areas.
2. Establish downtown Zachary's status to position it as a destination for entertainment and shopping.
3. High-end retail and leisure amenities help draw skilled talent to support target sectors, especially in upper wage occupations in sectors such as healthcare, professional, and business services.
4. Increase visibility and enhance image of Zachary as a destination.
5. Enhance small business and assistance programs for existing independent retailers and area residents who might be interested in opening an establishment.

Potential Niches

1. Boutique clothing and full-service dining in Downtown.
2. Movie theatre.
3. Hotels/motels/bed and breakfast establishments.
4. Outdoor recreation and entertainment venues, including bike paths and hiking/jogging trails, especially near the Comite River or the diversion canal.

Professional Services (locally serving)

Professional service companies often form the backbone of a community's business community. Often, these are small offices filling the needs and demands of the local community. While these small businesses are often perceived as simply "mom and pop" companies, they can play a critical role in developing a business climate that is conducive to entrepreneurship.

This broad services sector includes firms that provide services to companies and individuals. It includes legal, accounting, real estate, financial planning, insurance, and banking. Many establishments within this sector are small start-up enterprises and serve a local, rather than regional or national, market.

Many consider business recruitment to be the most important role for the economic development practitioner. Other avenues for economic growth and vitality, however, are just as essential – especially in communities that are lacking some of the key attributes that site selectors and recruitment prospects are seeking. In most communities, plentiful economic development opportunities lie closer to home if properly cultivated. "Economic gardening" is the most overlooked – and often most important – process for stimulating local growth and vitality. Promoting entrepreneurship involves leveraging existing resources in the local business sector – including innovation, financing, know-how, and business and social networks – and matching those resources with investment opportunities. In essence, it should be a critical component of any business retention and expansion program.

Suburban markets are increasingly being seen as viable places to do business, especially among professional service companies. Strong population growth provides the critical mass that these locally serving businesses need to succeed. In addition, office developers across the country increasingly have suburbs in their sights. Also, small businesses often prefer to be in emerging suburban markets because they are closer to home and are able to garner greater attention – and gratitude – from the local jurisdiction, as well as their new patrons. Finally, the spread of the nation’s telecommunications infrastructure, especially broadband services, has enabled small businesses in smaller towns to compete with their urban competitors.

Rationale and Considerations

1. Fill in gaps in the local economy to serve local demand for professional and business services.
2. Potential for growth and local economic diversification, especially among upper wage professional positions.
3. Opportunities for local entrepreneurs and start-up businesses.
4. Begin to set the stage for higher-end office development and professional and business activities and assist in establishing Zachary as the employment center for the northern Baton Rouge metropolitan region.
5. Promote smaller office developments throughout Zachary, but particularly in the Downtown area and sites in close proximity to Lane Memorial.
6. Difficulty in marketing to this broad sector according to traditional economic development practices.

Potential Niches

1. Legal services.
2. Architecture and real estate.
3. Accounting and other financial services.
4. Engineering services.
5. Entrepreneurship.

The machinery industry includes companies that manufacture or distribute equipment, machinery, and/or related components, including agriculture, construction, and mining machinery; industrial machinery; material handling equipment; and other general purpose machinery.

The specialty machining industry comprises establishments, known as machine shops, primarily engaged in machining metal parts on a job or order basis. Generally, machine shop jobs are low volume, using machine tools such as lathes (including computer numerically controlled), automatic screw machines, and machines for boring, grinding, and milling.

Machinery/Specialty Machining

The location of machinery manufacturers and specialty machiners (machine shops) is highly dependent on the industries they are servicing. As a result, they tend to cluster in close proximity to these end-users. For example, regions with a strong presence in the oil and gas industry (as in the Central Gulf Coast) will typically serve as a location for machine shops that custom produce exploration and other mining-related equipment. Employment trends within specialty machining are typically strongly influenced by the health of its customer base. In other words, during times of high oil prices, exploration activity increases, resulting in greater demand for machining orders. As a

result, employment levels are often cyclical in nature. Additionally, machine shops are increasingly incorporating technology in their production, which requires a more highly skilled, experienced, and technologically savvy worker. As a result, U.S. machinery manufacturers are very competitive in

international markets. For example, U.S. suppliers for oil and gas machinery and equipment are active in virtually all upstream petroleum markets, and U.S. technology and quality are considered among the best available in most product categories.

Rationale and Considerations

1. Proximity to Baton Rouge's petrochemical complex and other industrial employers, such as Georgia Pacific.
2. Availability of highly skilled workforce, both locally and regionally.
3. Potential to support existing industrial employers in the region.
4. Ongoing construction and industrial expansions may provide opportunities for increased demand for new business.
5. The expansion of technical training programs through Zachary Community Schools and the establishment of a Zachary satellite of Baton Rouge Community College (BRCC).
6. Consideration of the development of a modern business park to site new employers in this sector.

Potential Niches

1. Machine shops serving the region's petrochemical complex and oil and gas industries.
2. Construction and mining machinery.

Advanced Materials

Materials have played an important role throughout history in the development of the world's economy, from the Stone Age to the Plastics Age. Recent progress in technology research has ushered in the beginning of a new era: the age of Advanced Materials. This new era cannot, however, be defined by the use of a single material, but rather in the conception and diffusion of a vast array of materials. To underscore the significance of this new period, the U.S. Department of Commerce has identified advanced materials as one of five emerging technologies America must master to remain competitive in the world marketplace.

"Advanced materials" is a diverse collection of industries that encompasses materials, technologies, specialty materials, performance materials, engineered materials, composite materials, and smart material systems. Strength, durability, and even superconductivity are hallmarks of the products from these industries. Applications range from military to consumer products to bioscience. The building blocks of this industry include: engineered polymers, resins, and specialty chemicals; advanced fibers and specialty adhesives; structural ceramics and composites; metal composites, powder metals, and high temperature alloys; and surface engineering, electronics, and nanotechnology.

Based largely on increasing knowledge and understanding of the microscopic properties of matter and on the mastery of new industrial reproduction processes, innovations enable different materials to be combined and customized with new properties to make new alloys or composites. The growth in possibilities has not only been an impetus for changes in downstream products and services, but also in the innovation of upstream materials. In other words, under the old industrial model, designers and engineers were limited in the development of products by the materials available to them. Today, new materials can be developed and customized to fit the demands of specific technical needs. For example, requirements of the microelectronics industry have led to the development of a vast supplier network for semiconductive and photosensitive materials, high-purity chemicals, and new ceramics and resins.

The advanced materials industry is composed of products with considerable “value-add,” meaning the profit gained from altering materials that are less refined into a more profitable product is substantial. This industry can be generally characterized as follows:

- ◆ Tailored or engineered to fit very specific requirements in specific applications,
- ◆ Market segments are generally small and niche oriented,
- ◆ Profit margins are high and prices are generally set in relation to the value provided to the final end-user and less with regard to what competitors charge, and
- ◆ Value is provided to the end-user by providing a technological edge or greater efficiency.

Rationale and Considerations

1. Proximity to Baton Rouge’s petrochemical complex, allowing access to multiple suppliers of raw materials.
2. Access to ongoing research in advanced materials and nanotechnology at Louisiana State University.
3. High quality of life (schools and housing) in Zachary, making it attractive for research and development activities and their employees.
4. Availability of highly skilled workforce, both locally and regionally, with knowledge of materials sciences.
5. Potential to influence other targets, especially healthcare (R&D and testing), and support existing industrial employers in the region.
6. The expansion of the River Bend plant may present opportunities for the development and fabrication of advanced building composites as a result of construction activities.
7. Consideration of the development of a modern business park to site potential recruits.

Potential Niches

1. Advanced polymeric materials.
2. Composites.
3. Advanced building materials.
4. Research, development, and testing.