

## **Development accelerating along I-12 corridor \*\*\* Sluggish national economy still holding back some area growth, officials say**

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Denham Springs, LA  
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07/02/2011**

First in a series

After an economic winter, shoots of business life in recent months have burst forth along the Interstate 12 corridor in Livingston, Tangipahoa and St. Tammany parishes.

During the past decade, those three parishes east of Baton Rouge ranked in Louisiana's top four, behind Ascension Parish, with growth rates above 20 percent. Livingston's rate almost touched 40 percent.

Economic and political officials interviewed agree the

I-12 corridor will resume hearty growth. However, they have unique perspectives on where and when that growth will occur and what could complicate matters.

The I-12 corridor has been a national hot spot for business development and will continue to be a driver of Louisiana's economy, said Bill Jobert, director of Southeastern Louisiana University's Small Business Development Center.

Growth has been heaviest near Baton Rouge and around the North Shore, but that growth will move toward the center as land availability tightens, Jobert said.

In the past decade, promises of good schools, low crime and open spaces combined with industries and distribution centers to lure people from Baton Rouge and New Orleans, he said. Hurricane Katrina pushed even more people into the area.

Stores, restaurants and professional services were following before a national economic downturn interrupted the flow.

Though he thinks that flow will pick up again, Jobert isn't expecting a swift change.

We're not going to see a giant uptick in the next six months, he said.

But Margot May, chairwoman of the Livingston Parish Chamber of Commerce, said the parish already has begun to grow again. She points to a number of new businesses and developments just breaking ground.

A review of building permits in Livingston Parish shows that in the first six months of 2011, the number of permits for new businesses is already 30 percent higher than for all of last year and on target to top even the 2006 highs.

Permits for new homes, however, are even lower than in a lackluster 2010 and far below stratospheric 2006 numbers.

Livingston Parish President Mike Grimmer said that seeing companies starting work on a number of major projects that had been dormant is an indication the parish's business economy is on the upswing.

He cited the start of the 471-acre Juban Crossing development, a Sam's Club, a Walmart store and the Our Lady of the Lake Regional Medical Center's expansion into Walker.

Livingston Parish sales tax receipts have risen for seven months in a row compared to the same period a year earlier, records show.

Mike Curtis, who heads the parish's sales tax program, said he believes the parish has turned the corner economically and has begun a new period of slow-to-moderate growth.

To the east, sales tax revenues have remained stable in Hammond for three years, but a slight increase is predicted for the coming fiscal year, Mayor Mason Foster said.

Officials in St. Tammany Parish also have seen an improvement in sales tax income in recent months. St. Tammany's retail sales were up 6.6 percent in the first quarter of this year compared to the first quarter of last year.

Commercial development permits in Tangipahoa and St. Tammany parishes, however, aren't showing the same robustness as in Livingston Parish.

Foster said the national economy is still holding back growth in his city.

Companies show an interest, but won't move until things improve nationally, he said.

St. Tammany Parish President Kevin Davis said a new business that will create 300 jobs will be announced there soon, but strong growth won't resume locally until the national economy improves,.

Things are still sluggish, Davis said.

He foresees eventual growth in oil and gas, technology, distribution centers and offices.

I think we are poised for additional growth once things turn around nationally, he said.

Unemployment is only at 6 percent in St. Tammany, but is at 8 percent in Livingston and 9.8 percent in Tangipahoa, according to the Southeastern Business Research Center.

Lacy Toledano, director of the St. Tammany West Chamber of Commerce, said she has noticed things moving again.

We feel the pulse, she said. There's a lot more activity, including banks making loans.

Bullish on the corridor's future, she sees I-12's six lanes moving from the east and eventually meeting the six lanes coming from Baton Rouge.

Grimmer said he would like to see that, too, but doesn't know who will provide the money.

Denham Springs was the first municipality in Livingston Parish to blossom economically. What was a wooded area just north of I-12 at Range Avenue in 2001 now boasts a Home Depot, restaurants and what Mayor Jimmy Durbin refers to as hotel row.

More recently, an area of woods and palmettos on the south side of I-12 became home to 25 businesses, including Bass Pro Shops, he said.

What may pose a problem to economic development in the city is land availability.

After granting 173 permits for new commercial operations in the previous 10 years, the city issued only 10 last year,

records show.

It issued only one permit to build a new home.

Durbin concedes that prime land for residential and business development is limited.

For subdivision development, one area of about 60 acres remains in the city, he said.

There's a 35-acre track of prime commercial land and a few smaller parcels, he said.

After that, it's over for commercial development in Denham Springs, Durbin said.

Durbin hopes for a Pete's Highway interchange to be constructed on I-12 will create opportunities for annexation and development. Complete funding for the project is not yet in place.

A sewerage project that includes nearly 10 square miles outside the city will encourage residential and commercial development, Durbin believes.

Livingston Parish Clerk of Court Tom Sullivan said growth is already moving south from Denham Springs. Earlier, it had moved north, as land availability in the city began to shrink.

The growth is also moving east along I-12, Sullivan said.

That's evident at the Juban Road interchange, where a massive area is being cleared for Juban Crossing.

As growth speeds east along I-12, the latest census has pushed Walker into city status.

Walker Mayor Bobby Font noted that 17 businesses opened in Walker in the first five months of 2011.

I think a lot of this can be attributed to Our Lady of the Lake's plans to build a 140,000-square-foot facility at the Walker exit, he said.

Randy Rogers, director of the Livingston Economic Development Council, said he thinks the \$60 million facility is just a start for Walker.

Somewhat like the Juban Road development just east of Denham Springs, Walker is seeing development of a rural exit to its east where North Oaks Medical Center recently opened a 47,000-square-foot facility at the Satsuma exit.

A hotel planned there will serve scientists using the gravitational wave observatory to the north, said Abigail DePino, LEDC vice president.

Rogers and DePino sit in offices near the next exit to the east, which is seeing a different type of growth. The Town of Livingston's growth has come largely from government. Parish officials have built two large governmental buildings and are hoping to construct a new courthouse near I-12.

Grimmer thinks the exit at Livingston is primed for business growth as well.

However, Livingston Parish Councilman Don Wheat, who represents that district, said plans to build a baseball stadium and attract a Double A baseball team to the site appear to be dead.

To the east, Livingston Parish becomes more rural, with the Ferrara Fire Apparatus plant standing out like one of the red fire trucks it builds.

With a population of 128,026, Livingston Parish has jumped above Tangipahoa's population of 121,097, according to the latest census.

In Tangipahoa Parish, most of the growth is moving from the east, said Tangipahoa Parish President Gordon Burgess.

He predicts Baton Rouge builders will soon start purchasing acreage where local developers have obtained permits for subdivisions but haven't built them.

To the east of a still dozing Pumpkin Center exit, things have boomed, Burgess said.

The I-12 corridor is like a magnet, said Bob Basford, executive director of the Tangipahoa Economic Development Foundation. He expects the corridor to be the catalyst for continued growth in the parish, which he predicts will be in the range of 2 to 2.5 percent per year.

The change most visible from I-12 is a rejuvenated mall where developers knocked down most of an old mall to create a new one. The \$130 million Hammond Square Shopping Center is still expanding, Basford said.

Hammond contributed \$9 million in infrastructure to the area, the mayor said.

Hammond and Ponchatoula will grow as the main retail areas, Basford predicted.

Downtown Hammond continues to be developed and enhanced, and SLU is building a new nursing school, he said.

To the north, a site has been set aside for major manufacturing. To the south, a major expansion underway at the North Oaks Medical Center should also attract hotels, doctors' offices, and other medical facilities, Basford said.

At Hammond's airport exit, the Cypress Pointe Surgical Hospital opened in December. Basford said he expects doctors' offices, other medical facilities and a hotel to follow.

The airport expanded its runway to 6,500 feet and the U.S. Customs Service and Louisiana Army National Guard moved air operations to the site, which serves numerous corporate jets, Basford said.

Growth isn't as visible at Robert, but Basford said new subdivisions have opened there, as has a training facility for offshore oil workers.

Robert, the last exit before St. Tammany Parish, also has two large distribution centers taking advantage of the I-12 intersection with Interstate 55.

More distribution centers will come to Tangipahoa and St. Tammany parishes, said James Hartman, spokesman for the St. Tammany Parish Economic Development Foundation.

We've got geography on our side, he said, noting Tangipahoa has the intersection of two interstates and St. Tammany has the intersection of three.

More major distribution centers are expected to locate in St. Tammany, where they can access I-12, I-10 and I-59, Hartman said.

In western St. Tammany, Madisonville maintains its live-oak charm on the Tchefuncte River even as the La. 21 exit has ballooned. Linked to a former rest stop, that exit now shows off a row of restaurants to I-12 motorists, who will also find a hospital and shopping centers if they exit.

Mandeville, Covington and Abita Springs have grown rapidly, according to Hartman, who said he expects growth to move to the north and the west.

A new exit at La. 1088 is ripe for development, he said.

St. Tammany's population has grown to 233,740, according to the last census.

Parish spokesman Tom Beale said relocation of corporate headquarters to St. Tammany has been heartening.

Nevertheless, data from SLU's Business Research Center indicate St. Tammany has lost 10,000 jobs since 2007, Tangipahoa has lost 2,300 and Livingston has lost 1,300.

I don't see how the economy can generate much momentum until employment starts going up, said Herb Holloway, a research economist at the center.

While there have been encouraging signs in retail sales and building permits, until employment turns around, I worry that they are not sustainable, Holloway said.

About the series

SUNDAY: Business activity has been booming along the Interstate 12 corridor a trend

officials predict will continue in Livingston, Tangipahoa and St. Tammany parishes.

MONDAY: The importance of land-use planning in the quality of growth along the Interstate 12 corridor is drawing strong and divergent opinions.

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