Economic Recovery and Urban & Coastal Resilience, Greater New Orleans

July 22, 2015
SESSION objectives

The content of this session will help listeners answer these key questions both broadly and in their communities:

• What is a resilient economy?
• What are its characteristics?
• How can communities rebuild or build new to incorporate economics benefits beyond avoided damage (preserve/retain business activity, jobs, economic value, and ideally increase and diversify that economic activity in order to promote greater resilience)
• How can the resilience benefits be communicated to outside stakeholders and partners?
Defining Resilience

The ability to plan and prepare for, recover from, or more successfully adapt to actual or potential adverse events
What is a Resilient Economy?

Framing economic resilience

1. Able to **rapidly recover** from disasters and other shocks with minimal outside assistance. For example:
   - Returning to the prior job growth rate
   - Generating previous tax base

2. A “**radically resilient**” economy can bounce back + achieve a higher growth rate. For example:
   - Increasing GDP
   - Attracting/advancing new economic sectors and drivers
Characteristics of a Resilient Economy

- Economic diversification
- Strong pre-existing business conditions
- Strong and coordinated leadership
- Sustained business and community engagement over time
- Economic opportunity
- Diversity of human capital
- Economic composition: Export industries and manufacturing are key
- Community mindset: Standard of excellence + finding opportunity in challenge and change
A Strategy for Economic Resilience

Create net new cash flows/job growth* within a community

Projects that cannibalize pre-existing revenue sources or jobs within the region may be important, but do not contribute to economic resilience.

* Includes job retention.
Contents

- Prologue
- GNO, Inc. Overview
- Greater New Orleans Economy Overview
- A Resilient New Orleans
- Leverage Opportunities
Prologue

Greater New Orleans dramatically underperformed not only the South, but the entire nation, for four decades.
Greater New Orleans is now one of the top performers.
New Orleans Economic Overview

Louisiana and New Orleans are at their highest point, in nearly every ranking, in history.

#1 Growing Employment
#1 Most Cost Friendly
#1 Metro for IT Job Growth
#1 for Export Growth
Economy Overview - Performance

Louisiana and New Orleans are at their highest point, in nearly every ranking, in history.

#1 Best Incentives in USA
#1 Most Improved
#1 America’s Best City
#2 Boomtown in America
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GNO, Inc. Overview

GNO, Inc. is the economic development organization serving the ten counties of Southeast Louisiana.

Product Development
• Policy
• Workforce
• Brand Development
• Ecosystem Development

Business Development
• Business Attraction
• Business Growth
• Business Retention
• Research

Product Development
• Policy
• Workforce
• Brand Development
• Ecosystem Development
The true functional economic unit of southeast Louisiana is the “Southeast Super Region,” encompassing 2.6 million people.
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New Orleans Economic Overview

Greater New Orleans has been the strongest market in the south over the past decade.

Top Investment Markets 2003-2012

Total number of projects from the 100-largest projects announced in the South each year from 2003-2012.

<table>
<thead>
<tr>
<th>MARKET</th>
<th>NUMBER OF PROJECTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New Orleans, La.</td>
<td>55</td>
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<tr>
<td>2. Baton Rouge, La.</td>
<td>54</td>
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<tr>
<td>3. Houston, Texas</td>
<td>36</td>
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<td>4. Dallas-Fort Worth, Texas</td>
<td>25</td>
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<td>5. Lake Charles, La.</td>
<td>24</td>
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<td>6. San Antonio, Texas</td>
<td>19</td>
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<td>7. Memphis, Tenn.</td>
<td>15</td>
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<tr>
<td>8. Austin, Texas</td>
<td>14</td>
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<tr>
<td>9. Louisville, Ky.</td>
<td>13</td>
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<tr>
<td>10. Corpus Christi, Texas</td>
<td>12</td>
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<tr>
<td>11. Charlotte, N.C.</td>
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<tr>
<td>12. Greenville, S.C.</td>
<td>10</td>
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<tr>
<td>13. Mobile, Ala.</td>
<td>9</td>
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<tr>
<td>14. Atlanta, Ga.</td>
<td>8</td>
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<tr>
<td>15. Durham, N.C.</td>
<td>7</td>
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</tbody>
</table>

Source: SB&D
Economy Overview - Key Drivers

Greater New Orleans has three intrinsic economic drivers.

River

Energy

Culture
Economy Overview - Key Industries

Greater New Orleans’ economy is anchored by three “Foundational” industries.

- Advanced Manufacturing
- International Trade
- Energy (Oil and Natural Gas)
Economy Overview - Key Industries

Greater New Orleans’ economy is growing with three “Diversifying” industries.

- Digital Media (Software Development)
- Emerging Environmental
- Biosciences (Medical Center of Excellence)
Economic Overview - Key Trends

Natural gas is fueling and feeding a massive industrial boom.

Louisiana Manufacturing Project Over $250 Million (M) From 2011 to 2013

1. Sasol Limited
   $16,000 M / 1,263 jobs
2. Chenier Energy
   $16,000 M / 148 jobs
3. Sempra Energy
   $6,000 M / 390 jobs
4. Nucor Steel
   $3,400 M / 375 jobs
5. CF Industries Nitrogen, LLC
   $2,237 M / 63 jobs
6. Magnolia LNG
   $2,260 M / 50 jobs
7. Faustina Hydrogen Products
   $1,600 M / 200 jobs
8. EuroChem
   $1,500 M / 200 jobs
9. BioNitrogen Louisiana Holdings, LLC
   $1,400 M / 250 obs
10. South Louisiana Methanol
    $1,332 M / 69 jobs
11. G2X Energy
    $1,300 M / 243 obs
12. Bontier AG
    $850 M / 679 jobs
13. Lake Charles Cogeneration, LLC
    $320 M / 210 jobs
14. Cornerstone Chemical Co. / Dyne Nobel
    $768 M / 90 jobs
15. Mosaic Fertilizer, LLC
    $700 M / 35 jobs
16. Valero Refining - New Orleans, LLC
    $700 M / 24 jobs
17. Dow Chemical
    $600 M / 50 jobs
18. Valero Refinery
    $600 M / 85 jobs
19. Methanex Corporation
    $550 M / 35 jobs
20. Honeywell International
    $500 M / 80 jobs
21. Methanex Corporation
    $300 M / 250 jobs
22. Westlake Vinyls Company
    $167 M / 60 jobs
23. Sundrop Fuels
    $450 M / 150 jobs
24. Shintech Louisiana, LLC
    $420 M / 86 jobs
25. Sapa Extrusions
    $145 M / 9 jobs
26. Williams Olefins
    $400 M / 9 jobs
27. Exxon Mobil Refinery
    $362 M / 14 jobs
28. Avalon Rare Metals Processing, LLC
    $352 M / 226 jobs
29. Exxon Mobil Corp (Chemical)
    $336 M / 30 jobs
30. Georgia Pacific
    $300 M / 0 jobs
31. Westlake Vinyls Company LP
    $300 M / 100 jobs
32. Exxon Mobil Corporation (Refinery)
    $300 M / 26 jobs
33. German Pellets Louisiana, LLC / Louisiana Pellets, Inc.
    $250 M / 80 jobs
34. PPG Industries, Inc.
    $264 M / 27 jobs
35. BASF Corporation
    $253 M / 56 jobs
36. Diamond Green
    $250 M / 60 jobs
37. Shell Chemical Company
    $250 M / 15 jobs
Economic Overview - Key Trends

Exports have doubled since 2009.

Source: Fearnleys Research
Entrepreneurship is surging.
Economic Overview - Key Trends

PowerMoves.NOLA aims to make New Orleans the national hub for minority entrepreneurship.

Silicon Bayou’s Frontman

In New Orleans, PowerMoves.NOLA awarded more than $150,000 to promising tech entrepreneurs. BLACK ENTERPRISE spoke with PowerMoves.NOLA President Earl Robinson, an entrepreneur in his own right, about the success of PowerMoves.NOLA and what it may herald for minority entrepreneurs.

How many of the startups at PowerMoves.NOLA do you expect to succeed? Most startups fail.

I expect 100% of them to succeed in one way or another. Success for us is raising a certain amount of money after this that makes them a viable company. That’s one way to succeed. Another way is growing their respective networks so that if they do fail, they fail up. If they’ve met someone who says, “I know you were the CEO of that and we heard it didn’t do well, but you’d be a great CMO in my company,” then that’s a success. That’s what the venture capital spaces in Silicon Valley and Silicon Alley are about. So we’re trying to set up—I don’t want to call it a safety net—it’s an ecosystem.

Tech’s Future At PowerMoves.NOLA

New Entrepreneurs Win Big In New Orleans
Economic Overview - Key Trends

New Orleans is the #1 “Brainpower City” in America, for attracting young college graduates.
Economic Overview - Key Trends

Greater New Orleans is also #1 for attracting “Workers in their Prime” (35-49 yrs)

People Moving to GNO, 2007-2010
Economic Overview - Key Trends

Major real estate investments are driving development.

$2B New Medical Complex
Economic Overview - Key Trends

Major real estate investments are driving development.

New $850M César Pelli Airport Terminal
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NEW ORLEANS AREA HURRICANE PROTECTION

After Katrina, Congress gave the Army Corps of Engineers $14.6 billion to repair and improve hurricane and flood protection in New Orleans. About $10 billion later, the 130-mile system of levees, walls and gates designed to keep out a 100-year storm surge is essentially complete. The corps says the city now is safe from flooding in a storm that has a 1 percent chance of hitting in any year, and the levee system also is designed to significantly reduce flooding from even larger storms. Interior drainage improvements designed to deal with heavy rainfall, however, are still under construction.
LA Coastal Master Plan

Year 2100 without Action
BP to Pay $18.7 Billion for Deepwater Horizon Oil Spill

By CAMPBELL ROBERTSON, JOHN SCHWARTZ and RICHARD PEREZ-PEREZ  JULY 5, 2015

NEW ORLEANS — An $18.7 billion settlement announced Thursday of all federal, state and local claims against the oil giant BP arising from the 2010 Gulf of Mexico oil spill would be the largest environmental settlement — and the largest civil settlement with any single entity — in the nation’s history, officials said Thursday.

LA Coastal Master Plan

State of Louisiana
The Honorable Bobby Jindal, Governor

Louisiana’s Comprehensive Master Plan for a Sustainable Coast

committed to our coast
Multiple Lines of Flood Protection & Resilience

Coastal stabilization, levee systems and internal water management work must work in tandem for comprehensive flood protection.
Greater New Orleans
Urban Water Plan
Six Water Principles
Methods to live with water

- Living Water Systems
- Slow, Store, Drain
- Smart Retrofits
- Modern Materials and Practice
- Working with Nature
- Integrated Multiple Scales
# Economic Benefits

$6.2 Billion investment over 50 years = $22.3 Billion in economic benefits

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<thead>
<tr>
<th>Benefit</th>
<th>Value</th>
<th>Description</th>
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<tbody>
<tr>
<td>Reduced Repetitive Flood Costs</td>
<td>$8 Billion</td>
<td>Full implementation of the Greater New Orleans Urban Water Plan would fully eliminate flooding from a T5 storm (approximately 6&quot; of rainfall in 24 hours) and substantially reduce the damage and effects of a T10 storm (11.5&quot; in 24 hour period).</td>
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<tr>
<td>Reduced Cost of Sinking Land/Subsidence</td>
<td>$2.2 Billion</td>
<td>Similarly, properly maintaining groundwater levels would significantly reduce the subsidence rate and its damaging effects. Estimated damage costs in vulnerable areas are estimated at $2.2 BILLION.</td>
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<tr>
<td>Lower Flood Insurance Premiums</td>
<td>$609 Million</td>
<td>By addressing the problems associated with sinking land, flood insurance premiums could drop as much as $609 MILLION through credit given to parishes through the NFIP's Community Rating System (CRS).</td>
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<tr>
<td>Higher Property Values</td>
<td>$183 Million</td>
<td>The Urban Water Plan also enables the safe development of new waterfront property valued at $183 MILLION.</td>
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<tr>
<td>Regional Economic Impact</td>
<td>$11.3 Billion</td>
<td>Implementation of the Greater New Orleans Urban Water Plan would spur and support significant activity in supporting industry sectors estimated between $5.29 - $11.32 BILLION, supporting 44,040 - 101,790 jobs (direct and indirect, full and part-time).</td>
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</tbody>
</table>
Water Management is SE Louisiana’s second largest industry sector, which has added more jobs than any other sector since 2010.
Emerging Environmental Industry

“Emerging Environmental” describes products and services that help companies create jobs and wealth while managing environmental challenges such as:

- Flooding
- Coastal Erosion
- Subsidence
Local Companies and Workforce

Louisiana is source of expertise and experience for water management solutions

9 years after Katrina, New Orleans aims to turn environmental weaknesses into economic strengths

UNO and GNO, Inc. announce new certificates in coastal science and engineering
Export Experience

Louisiana firms secured $327M in state and federal prime contracts related to Hurricane Sandy rebuilding
“The greatest economic turnaround of our lifetime”

*Forbes*

“America’s Favorite City”

*Travel + Leisure*
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Leverage Opportunities & Resources
Leverage Opportunities

• BP/RESTORE Act: $18.7 Billion (Gulf Coast only)
• HUD National Disaster Resilience Competition: $1 Billion
• FEMA Hazard Mitigation Grant Program
• Vacant Properties
• Real Estate Development
• Policy (e.g. Zoning Ordinances)
Resources

Learn more at LivingWithWater.com and Urban Water Plan iPad app
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