Acadiana: Back in Business

Downsizing brings Iberia's diversity

By Bill Brocato
Business Writer

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Gloom and doom, lots of dark clouds, and a community scrambling to keep assisting industries alive are the words an Iberia Parish economic development specialist used upon recalling Acadiana's oil patch slowdown, and the effect it had on the business community.

Roy Holleman, Iberia Parish Industrial Development Foundation (IDF) president, said he believes the oil industry downturn in southwest Louisiana forced city and parish officials as well as community entrepreneurs to re-think their economic strategies. He said the result was a better-positioned local economy.

"What we found were our existing industries, companies located at the Port of Iberia were willing to try new ideas, go after new business they hadn't approached before," he said. "If we had lost these companies, we wouldn't be in as good a shape as we are today."

Holleman primarily attributes current economic growth and a stable workforce to the existing companies located at the Port of Iberia, and parish small business owners who relied on their skills to adapt to a quickly changing retail market. He said because of the success of the area's diversification efforts, Iberia Parish is poised for substantial growth as a central player in Louisiana's emerging role under the North American Free Trade Agreement (NAFTA).

John Oubre, Port of Iberia executive director, agrees with Holleman. He said the port is now better positioned to take advantage of the region's coastal geographic location, becoming a "transportation hub" for international cargo operations.

Oubre points to the port's increased dock terminal business to demonstrate the significance Iberia Parish can play in Acadiana's transportation sector. He said dock and contract traffic services earned the port about $400 million in fiscal year 2004. The port's growing role in the importing and exporting of steel pipe from Germany and Japan, and its landed substantial fabrication facilities for the construction of oilfield modules for The Chevron Companies and the North Slope modules for Arco Alaska projects, are recent examples of port-based businesses and the importance the shallow-water draft port plays in the parish's economic well-being, he adds.

Oubre also quickly points out that port businesses have contributed about $70 million in local payrolls. He said the port's economic role would not have been possible without state and federal government funding which has helped the port to grow and contribute to the tune of about $71.5 million.

Roy Holleman and Oubre agree Iberia Parish's future role as a transportation hub is also dependent on the Acadiana Regional Airport (ARA).

Holleman said the ARA is recognized as one of the best general aviation airports in the state. He said a recent marketing and feasibility survey conducted by an independent firm indicates the airport can become a significant player as an intermodal system for Southwest Louisiana.

"The airport fits well into our diversification efforts," he said, "as an important link in an intermodal transportation system. We couldn't be luckier to have it."

Holleman said IDF and airport officials currently with a prospect interested in establishing an intermodal containerized operation at the airport. He said establishing a container shipping center there would provide ease of access throughout the south central region of the United States, and far south into Mexico, Central America and South America.

All the keys are here," he said. "What we're lacking right now are the resources to property market and promote our community."

ARA director Rock Lasserre Jr. agrees with Holleman and Oubre. He said the airport's state-of-the-art infrastructure, runways capable of handling the largest cargo planes and land for additional expansion and building strong playing cards when seeking to attract new industry.

However, he warns, without adequate community support and the funding needed to construct new hangers and further develop the airport's link to the park, garnering new companies looking to market their goods outside the region will be difficult.

New Iberia City Mayor Cliff Aucoin concurs with Lasserre.

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He said lingering memories in the public’s mind as to the economic downturn in the mid-1980s continues to affect taxpayer decisions, and may be one reason any hint of additional taxes can be political suicide.

Aucoin said he believes the city needs better urban planning, and long-range goals to meet infrastructure needs into the next century. However, he said, he is pessimistic that local voters are willing to shoulder any new taxes needed to upgrade the city’s public infrastructure.

“Looking at our (city) budget this year,” he begins, “taxpayers think the $21 million we budgeted is a lot, but in terms of real dollars it’s flat, zero growth. The voters aren’t going to approve any kind of tax hike to fund any more projects.”

Casting a glance forward, Aucoin said he is confident Iberia Parish and New Iberia have diversified sufficiently to weather any potential economic storms. He said the city’s retail industry has adapted to new marketing techniques and the region’s tourism industry is thriving.

“I can’t say we’re a tourist destination yet,” he said. “But I see more and more tourists along Main Street every time I get out.”

The Iberia Parish Tourism Commission records reveal about $27 million a year in tourist-related spending are flowing into the parish. Local tourist-based tax receipts have swelled to about $500,000, and visitors to the tourist center are up 6 percent from last year.

Comparing the city retail sales tax revenues for the past decade also reveal a strong retail economy experiencing slow, but steady growth.

Retail sales tax revenues in the city-stand at about $4.2 million in 1984, plunging to $3.7 million as the oil patch bottomed. Currently, retail sales tax revenues are estimated at $5.6 million, a spiraling 48 percent climb.

Holleman attributes the community’s growing tourism industry and the success of its retailers in part to expanded operations at the Greater Iberia Chamber of Commerce. He said the chamber now provides direct access to national databases, teleconferencing services and downloading capabilities of video productions aimed at enhancing a business’s competitiveness.

A key component in the chamber’s expanded role was the membership’s willingness to purchase new technology such as a satellite system, he added.