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Article published Oct 3, 2007
Oct 3, 2007

Study to determine financial benefits of deepening canal

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HOUMA -- An existing study will be updated in the next few months as part of an effort to prove that deepening the Houma Navigation Canal will positively affect Terrebonne Parish's economy.

Terrebonne's economic-development board agreed Monday to update a 7-year-old study and pay for a second one.

State taxpayer money, via a grant from the state economic department, will pay \$25,000 of the \$60,000 the two studies are expected to cost.

The studies will be tools to help market Terrebonne Parish, said Katherine Gilbert, business retention and expansion director for the Terrebonne Economic Development Authority.

"It will give us a good look at what deepening the HNC would do for us," Gilbert said.

The independent studies will help market the community to other companies, Gilbert said. Bringing in more companies, especially those not tied to the oil-and-gas industry, will diversify and strengthen the community, she added.

WHAT THE STUDIES WILL DO

The initial study, done in 2000 by a then-LSU economist, says dredging the canal an additional 5 feet could add about \$400 million to the state economy and \$1 billion to the federal economy. Deepening the 15-foot canal will enable larger boats to use it, attracting business the parish isn't currently benefiting from.

For instance, companies would be able to bid on larger projects, like building a drilling platform part called a spar. Spars, used on Gulf of Mexico platforms must be transported on larger vessels that the canal is currently too shallow to accommodate, said Loren Scott, who created the 2000 study and is now president of Loren C. Scott and Associates Inc.

If a boat is too big for the canal's current depth, it must unload its cargo and find either land-based or another waterborne transportation method, adding time and cost.

The study will be updated because the economy has undergone a lot of changes in the last seven years, Scott said.

In addition to updating Scott's study, another company, Competitive Strategies Group, L.L.C., will compile its own study, said Mike Ferdinand, TEDA's CEO.

Competitive Strategies will provide a different type of analysis. Scott's study calculates economic impact by studying the companies that would be directly affected by the deepening and the ripple effect that would result as those companies expand.

Competitive Strategies will focus on the parishwide development using historical, present and future information. Demographics, business trends, labor-market conditions, quality of life, building occupancy and other factors are taken into account to give a broader report on how the community will be affected, not just the economy.

TEDA's nonprofit foundation, TEDFo, agreed, in an 11-0 vote, to sign an agreement with the Terrebonne Waterway Association to pay \$60,000 for the two studies. Voting members Carmelita Ratna and Laurie Shannon were absent.

TEDFo's board is made up of TEDA members. The difference between the two is that TEDFo, as a nonprofit, can apply for more types of grants than its counterpart because TEDA is a partial public entity.

Both studies are expected to be complete within the next nine weeks, Ferdinand said.

In addition to the \$25,000 state grant, money for the studies will come from another \$25,000 grant -- awarded in 2006 from the Baton Rouge Area Foundation -- and \$10,000 from the Terrebonne Waterways Association, a nonprofit of local businesses interested in enhancing Terrebonne's marine infrastructure.
