

Augmenting Local Infrastructure to Meet Industry Needs: Community Responses to the Fabrication and Shipbuilding Industries



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Direct and Indirect Infrastructure Needs

Direct

- Ports
- ***Channels***
- Highways
- Railroads
- Telecommunications
and Data Services
- Energy services

Indirect

- ***Employee Housing***
- Emergency Response
Capabilities
- Local Zoning and
Building Codes

Direct Infrastructure Need: Channels

Resources for Channel Construction and Maintenance

- Federal government
 - Harbor Maintenance Trust Fund
 - U.S. Army Corps of Engineers
- State governments
- Local governments
- Private developers



Photo: Jesse Grice Collection, Morgan City Archives, Offshore Oil and Gas Project, 2003

Prioritization of Channel Projects



- Need
- Resources Available
- Political Influence of Proponents

Balancing Needs

- Deeper channels offer potential economic benefits
 - Competition among communities for companies
 - Competition among companies for large projects
- Deeper channels have potential environmental impacts
 - Channels have significantly altered natural hydrology
 - Deeply dredged canals have altered water flow pathways and sometimes resulted in saltwater intrusion
 - Spoil banks have reduced overland flow exchange and sediment input to the wetland surface

Focus on Houma Navigation Canal

- Completed in 1963
- Runs from city of Houma, LA in Terrebonne Parish to Gulf of Mexico
- No comprehensive levee system or locks; Terrebonne withdrew from South Louisiana Levee District in 1968
- Responsible for tens of thousands of acres of land loss – direct and secondary effects
- Average width in 1965 ~ 300 feet; 1987 ~ 580 feet; 1998 ~ 660 feet



Photo: U.S. Army
Corps of Engineers

Photo: US Army
Corps of Engineers



- Proposal to deepen from 15 to at least 20 feet
- Region has suffered major land losses in 2005 and 2008 hurricanes
- 2007 studies on economic impact of deepening canal estimate new jobs, increased household earnings, and new business sales but found poor highway and rail access to be of significant concern
- Public debate over channel deepening has increased since 2005 storms and effects of Mississippi River Gulf Outlet (MRGO)

Indirect Needs: Employee Housing

Issues of Gulf Coast Communities with Fabrication and Shipbuilding

- Share concerns common across the United States
- Face special concerns due to recent hurricanes
- Rebuilding efforts have sparked new and reignited old debates on allocation of federal dollars to low income residents and appropriate use of coastal shoreline

Three Categories of Employees

- ***Permanent residence near place of work and wages well above the area median income***
- ***Permanent residence near place of work and wages at or below 120 percent of the area median income***
- ***No permanent residence near place of work***

High Income with Permanent Residence Near Employment

- High wage employees have considerable flexibility in choosing their residences
- Since 1970s in U.S. an increase in income inequality has been accompanied by an increase in economic segregation, though MS is one of the states with lowest level
- Within all four states, some communities attract “white collar” workers while others identified as “blue collar”

Low to Moderate Income with Permanent Residence Near Employment

- Shift in government role in providing housing, driven by relationship between the housing and labor markets, to focus on “workforce” as well as “affordable” housing
- Low to moderate income working families are defined as those households earning at least the annual minimum wage in which members work a full-time job or equivalent and earn up to 120 percent of the local area median income

Permanent Residence Not Near Employment

- U.S. citizens
- Immigrants on work visas
- Undocumented immigrants



Photo: Jake Giroir, Offshore Oil and Gas History Project, 2001

Focus on Coastal Mississippi

- More than 60,000 houses destroyed in 3 coastal counties during Hurricane Katrina
- Levels of northward outmigration rose significantly due to the storm
- Many jobs are concentrated along the coastline
- Housing was determined to be *the* critical issue for renewal
- MS received almost \$5.5 billion in Community Development Block Grants, almost \$3 billion to homeowners or rental housing
 - In January 2008 governor announced \$100 million allocation for workforce housing
 - Shortly afterward HUD okayed \$600 million in federal grants for redevelopment of the Port of Gulfport

- *High wages and permanent residence near place of work*
- ***Low to median wages and permanent residence near place of work***
- *No permanent residence near place of work*

Low to Median Wage Employees: Local Leaders Respond

- Leaders of the largest businesses and industries along the Gulf Coast formed the Mississippi Gulf Coast Business Council
- The Council created the Gulf Coast Renaissance Corporation to address workforce housing issues
- Renaissance selected Employer Assisted Housing as its approach with gap financing for families to purchase their own homes. An employer contributes toward the down payment and the Corporation matches it three-to-one

Benefits to Employers

- Improved employee retention and reduction in turnover
- Reduced recruitment and retention costs
- A benefits package with a competitive edge
- Subsidized assistance for relocating employees
- Reduced commutes, stress and absenteeism
- State and federal tax benefits
- Leveraged state assistance for employees
- Community reinvestment
- Increased employee homeownership and workforce stability

Benefits to Employees

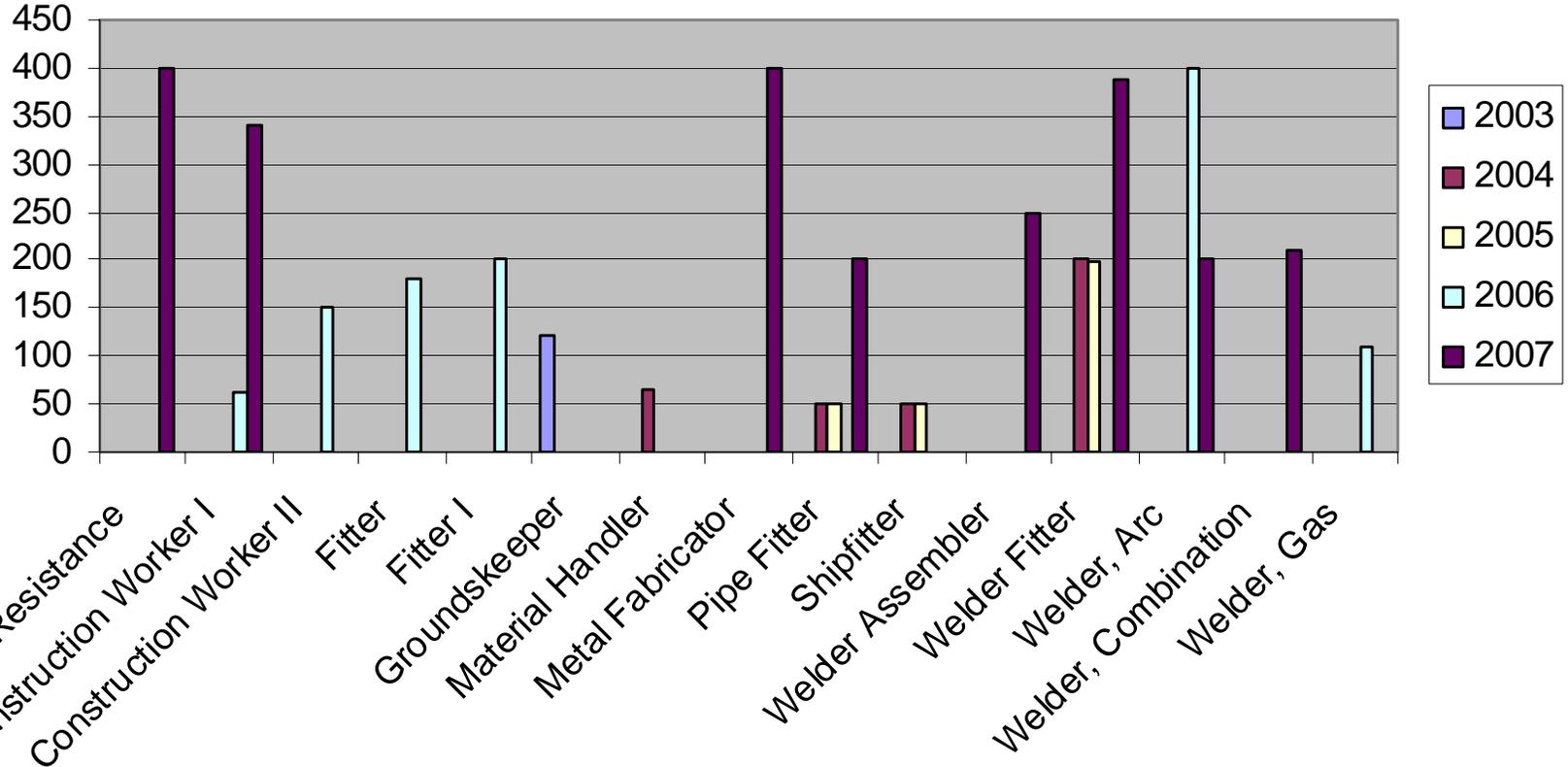
- Down payment and closing cost or rental assistance
- Help with resolving poor credit history
- Ability to live closer to work (reducing stressful commutes)
- Allows employees to put down roots through homeownership
- Prepares them for home ownership with step-by-step homeownership education course

Non-Resident Employees: U.S. Citizens

- Specialists brought in for short periods of time to fulfill specific need; often housed by company via long-term arrangement at area hotels – impact on taxes, availability of hotels for other uses such as tourism
- Some companies exploring possibility of moving to shift work – e.g. 7 and 7 or 14 and 14 – would provide temporary housing like that being used by some for immigrants on work visas

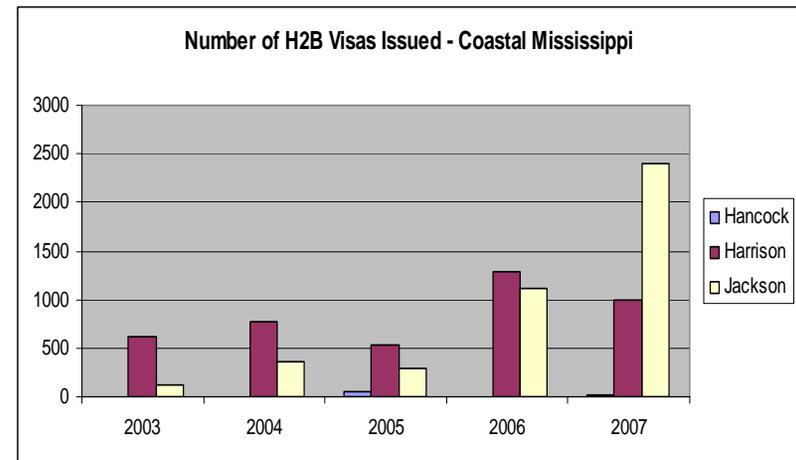
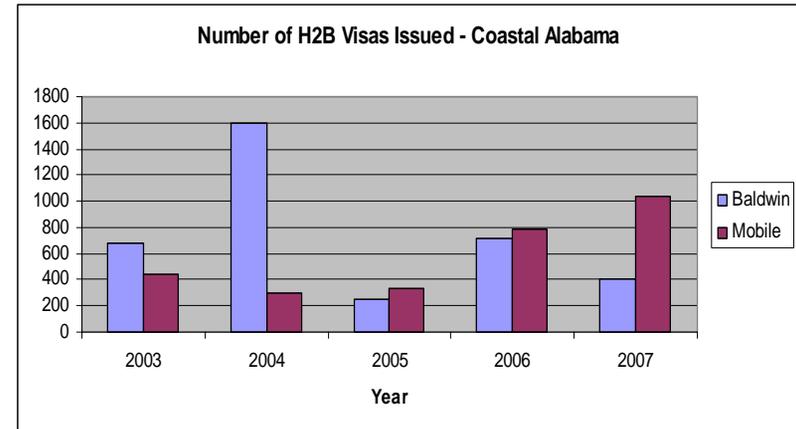
Non-Resident Employees: Immigrants on Work Visas

Number of H2B Visas in Jackson County by Occupational Title



Immigrants on Work Visas

- Use of H2B visas increased between 2003 and 2007 in many places
- Companies using H2B workers are not required to provide housing
- Where provided, housing includes dormitories, trailers, rented houses, and barracks

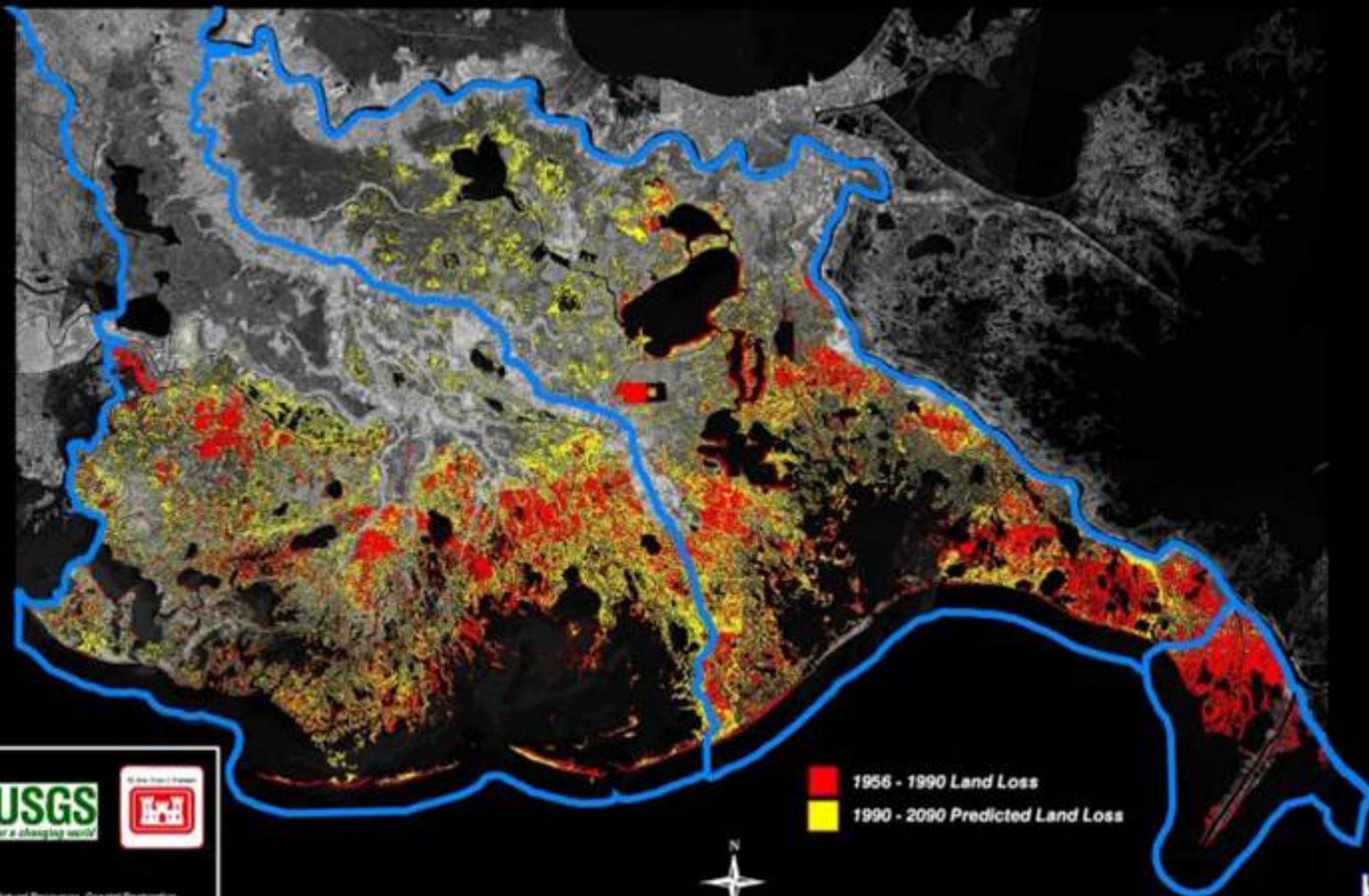


Summary and Conclusions

- Infrastructure needs are linked
- As a dominant local industry and major employer, fabrication and shipbuilding can be a major influence on the nature and scope of infrastructure projects
- Impacts are exacerbated or mitigated by federal, state, and local policies



Existing and Predicted Land Loss in Coastal Louisiana for the Barataria and Terrebonne Basins



■ 1956 - 1990 Land Loss
■ 1990 - 2090 Predicted Land Loss





Produced by The Louisiana Dept. of Natural Resources, Coastal Restoration Division and the USGS, National Wetlands Research Center, Coastal Restoration Field Station.

1956 - 1993 Land Loss Compiled by the National Wetlands Research Center.

1990 - 2090 Predicted Land Loss Compiled for Coast 2050 by Louisiana State University and the US Army Corps of Engineers, New Orleans District.

Map of 08-4-2002 Map Date: 1/25/08