

## **WEST BATON ROUGE UPDATE**

**MARC BARKER, CCIM, SIOR**

**Latter & Blum, Inc./Realtors**

**Industrial Trends Committee**

**Vice Chairman**

Since the April 27, 1999 Trends Seminar, twelve months ago, West Baton Rouge Parish has experienced phenomenal growth in industrial and commercial real estate activity. This tremendous increase is due, in part, to a shortage of affordable industrial and commercial land in East Baton Rouge Parish. In addition, the increasing development/zoning regulations and compliance costs in East Baton Rouge Parish, such as sewer impact fees, traffic studies, public hearings, and governmental approvals, are making projects (especially over 29,999 sq. ft.) more difficult and expensive.

The industrial and commercial real estate growth of West Baton Rouge over the past twelve months includes, in part:

- construction began on new PVC plant
- several petrochemical plants announced and/or completed additions and expansions
- new industrial park
- completion of inland barge terminal
- construction of major pipe facility
- announcement of a new development of a 1,000,000 sq. ft. (plus) distribution warehouse facility

Some of the factors increasingly recognized by real estate users of industrial and commercial properties in West Baton Rouge Parish include:

- affordable available land
- approximately twenty percent (20%) lower property taxes than East Baton Rouge Parish
- strategic location of transportation hub with Interstate 10, U.S. Hwy. 190, LA Hwy. 1, Port of Greater Baton Rouge, and two Mississippi River Bridges
- friendly business growth environment for new and expanding companies
- streamlined permitting and project approval

With commercial land values exceeding \$4.00/Sq.Ft. in areas of East Baton Rouge Parish, the past reluctance by users of industrial and commercial properties to cross the Mississippi River Bridge into West Baton Rouge is rapidly fading away. Also, West Baton Rouge's new zoning ordinance, which was adopted September 28, 1998, establishes industrial and commercial growth opportunities while protecting new and existing residential developments.

During the past year, the newly developed Poplar Grove Industrial Park subdivision was approved by the West Baton Rouge Parish Council. Located on LA Hwy. 1 between U.S. Hwy. 190 and Interstate 10, Poplar Grove Industrial Park is a new 157 acre industrial and commercial development with three to ten (plus) acre sites. With prices at Poplar Grove range from \$1.00 to \$1.50 per square foot, initial interest and activity have been strong with 1999 land sales and related developments including:

- Lyons Specialty. Constructed a 50,000 sq. ft. distribution facility
- Southeastern Freight Lines. Constructed a forty (40) door truck terminal
- IPS. Began construction on a 50,000 sq. ft. maintenance facility

Both Lyons Specialty and IPS are relocating from East Baton Rouge to West Baton Rouge. In addition, both reviewed sites in East Baton Rouge and other parishes prior to selecting West Baton Rouge.

In response to planned increased production capacity of area petrochemical facilities, Robert Merrick, purchased 48.7 acres in March, 2000 for construction of 1,000,000 sq. ft. (plus) distribution warehouse facility. The new distribution warehouse facility will be located in West Baton Rouge on Northline Road (near Interstate 10 at LA Hwy. 1).

A few of the specific major industrial and commercial developments during the past twelve months in West Baton Rouge include, in part:

- Shintech began construction on new polyvinyl chloride (PVC) plant.
- Thomas Pipe and Steel relocated their corporate headquarters and operations from East Baton Rouge to a 100 acre tract on Northline Road in Sun Plus Development.
- DSM Elastomers, Dow Chemical, and Exxon all announced or completed major expansion plans.

- Poplar Grove Industrial Park, new industrial and commercial park, targeting transportation and distribution related companies.
- Sale of Westport Industrial Park (600 acres) from Burlington Resources to two local investors. New owners plan upgrade/increased marketing.
- Port of Greater Baton Rouge completed Inland Marine Terminal.
- Several new truck stops completed and/or announced.
- A New Orleans Group, developing 1,000,000 sq. ft. (plus) distribution warehouse facility on Northline Road near Interstate 10 at LA Hwy. 1 South.