

Developing Louisiana's Water Management Industry

Scott Kirkpatrick, President, Coast Builders Coalition

- **Current Situation**
 - Louisiana has been given the world's greatest laboratory for the water management industry. The problems we are facing will burden other areas in the coming years due to climate change and other man-made impacts. We must find a way protect our coast, and use these solutions to help others prevent problems in the future.

- **Economic Development Opportunity Presented**
 - Private Sector Interest
 - A recent survey of engineering and construction firms, operating in Louisiana indicated there is a compelling opportunity to grow their business in Louisiana.
 - 80% of companies surveyed said their coastal business in Louisiana has grown in the last 5 years.
 - 80% of companies surveyed have increased their personnel because of this added work.
 - Economic Development Interest
 - The *Louisiana Department of Economic Development* has identified Louisiana's costal water management industry as a top sector for future growth. Research suggests that **45,000 jobs can be created from this sector over the next 30 years.**
 - *Greater New Orleans Inc.* created *GreenN.O.* to establish Greater New Orleans as the nation's center for sustainable and environmentally friendly businesses. *GreenN.O.* will be a consortium of interested business, community and government leaders. It will focus on five areas: water management, sustainable building, renewable energy, coastal restoration and disaster management/recovery

- **Implications**
 - If our state does not work tirelessly to get top-notch private sector firms and researchers to Louisiana, we will miss out on this potential economic benefit and efforts to to restore our coastline may suffer.
 - "If we are successful, we will be able to simultaneously diversify our economy while sustaining our environment." *Michael Hecht, President and CEO, GNO, Inc.*

- **Solutions to Our Problem**
 - Dedicate necessary funding
 - Survey results revealed that dedicated funding from the State was the most important step towards generating private sector interest. A financial commitment on the front-end will not only

facilitate the construction of a coast-wide system of protection and restoration, but it will insure the private sector will establish roots in the State to service the financial commitment.

- Business development
 - Sixty percent of companies surveyed said if the state would provide business development support for the water management industry it would generate greater private sector growth. Economic development organizations can provide leadership and support to coastal water management businesses as they operate in Louisiana and beyond.
- Center of Excellence
 - All of companies surveyed see a role for the private sector in advancing research and development related to the various aspects of coastal water management. Various states and countries worldwide have adopted the idea of forming a "consortium" or "Center of Excellence", bridging the gap between the public and private sectors. This proven models can serve as a template for Louisiana.

| Louisiana Center of Excellence | | |
|---------------------------------------|--|--|
| Party | Role | Benefit |
| <i>Research Universities</i> | Bring together the state's research institutions to foster cross-university research, which is often critical when competing for federal research funding. | Universities create strong relationships with private sector opening up employment opportunities to their graduates. |
| <i>Private Sector</i> | Collaborate with other businesses in this industry to produce a "best practices" model for success. | Gain access to cutting edge technology in that will help their businesses grow. |
| <i>State Government</i> | Work to secure funding and create incentives to attract private sector growth. | A potential growth in employment of 45,000 jobs and a secure coastline. |

- **Proven Models**
 - See attached
- **Global Impact**
 - NGP Energy Capital Management, LLC ("NGP") announced the formation of NGP Global Adaptation Partners, L.P. ("NGP GAP"), a \$3 billion private equity fund. This fund will concentrate it's investments

in the **Water Resources**, Agriculture and **Costal Protection** sectors.

- “In addition to the large amount of capital invested today in these three sectors, NGP estimates that the world’s economies will incrementally spend several hundred billion dollars annually to address these issues. **Thousands of companies worldwide will benefit from this spending.**” – NGP Global Adaptation Institute Executive Summary
- If we are successful in overcoming our current situation, people from all over will come to Louisiana to acquire the knowledge and expertise we gained from turning this problem into an economic solution.