

## Alexandria, Louisiana

# Alexandria Fighting to Save Its Economic Base

**O**n the eve of America's entry into World War II, 400,000 troops descended on central Louisiana for a huge field exercise. "The Louisiana Maneuvers," as the exercise came to be known, also brought superstar generals Patton, Eisenhower, and Bradley to Alexandria's historic Bentley Hotel.

Most important for Alexandria, that sprawling military practice session led to the creation of Fort Polk, an hour's drive from town and still the linchpin of the metropolitan area economy. Fort Polk remains the largest single employer in central Louisiana, with about 15,000 workers, including nearly 7,000 civilians, according to the base's website. But in this time of federal budget uncertainty, officials in Alexandria and allies in Louisiana's congressional delegation are fighting to save the installation as the Pentagon continues a long-term downsizing.

"I think we're back on the chopping block, as is everyone else," said Albin Provosty, chief of the city of Alexandria's economic development operation. "We can stand a small cut. I don't think we can weather a big one."

One small cut has already been made. In June 2013, the army decided to reduce Polk's 9,500 troops by roughly 240 over the next four years, instead of the feared potential cutback of 5,300, according to news reports. Although less severe than feared, those cuts surely did not help the local economy. Alexandria's preliminary unemployment rate of 6.1



percent as of June is equal to the national June jobless figure. The metro area's jobless rate climbed from 4.5 percent in April, as the once-shrinking labor force inched upward.

The labor force remains slightly smaller than it was before the recession started, and the metro area's total employment—63,187 in June—remained a couple thousand below its prerecession peak, according to the U.S. Bureau of Labor Statistics (BLS). Louisiana as a whole has more jobs than it did before the Great Recession, and the national economy has likewise finally matched its 2007 employment number.

### **Alexandria's second rodeo**

The fight for Fort Polk is not Alexandria's first fight for a military base. The area lost England Air Force Base in 1992, during an early round of the Defense Base Closure and Realignment Commission (commonly known as BRAC) process. England's closure initially eliminated nearly 4,000 jobs, but local, state, and congressional representatives convinced the Pentagon to give the base to a public authority created by the Louisiana legislature. The defunct base is now a mixed-use development and commercial airport, which is heavily used by troops arriving at and departing Fort Polk. England Industrial Airpark and Community encompasses 60 businesses that together employ 2,000 people, according to the development's website.

"We were told it would take 10 to 15 years for our economy to recover" when England Air Force Base closed, said Pro-



Although Alexandria's unemployment rate is below the U.S. rate, it's in part because the city's labor force shrank.



Alexandria, Louisiana	
Rapides Parish population	153,704
Alexandria population	47,723
Total housing units	20,366
Median household income	\$35,888
Median home value	\$125,900

Source: U.S. Census Bureau, 2012 American Community Survey

Provostry, who was involved in the England work. "But we did it in five years."

But Fort Polk is a larger economic engine than England was. The base had a \$1.9 billion impact during 2012, including a payroll of \$980 million. Polk is one parish (Louisiana's county-equivalent political subdivision) over from Rapides Parish, home of Alexandria, and is not technically within the Alexandria metropolitan statistical area (MSA). But the fort's influence on all of central Louisiana is clear: the 2012 payroll alone equaled 21 percent of the Alexandria MSA's gross domestic product (GDP), according to the base's figures and local GDP data from the U.S. Bureau of Economic Analysis.

"Fort Polk is essential to central Louisiana," declared Clifford Moller, executive director of the Greater Alexandria Economic Development Authority.

**In central Louisiana, wood is good**

As critical as Fort Polk is, Alexandria is not exclusively a military town.

In the heart of central Louisiana, Alexandria is the least populous of the state's eight metropolitan areas. It's surrounded by woodlands. Paper mills and lumbering are the economic stalwarts, though in recent years employment has fallen in those industries. Three bioenergy plants using wood as raw material are either operating or planned in the area. Two public sector hospitals are mainstays, along with a handful of large industrial employers.

Unlike southern Louisiana cities such as Lafayette and New Orleans, Alexandria is not an energy hub. An electric utility, Cleco Corporation, is based in the

metro area and among its largest employers with 800 local workers. But petroleum extraction and related services are not where Alexandria makes its living.

That living has generally been stable. Consider that between 1990 and the onset of the Great Recession at the end of 2007, Alexandria's job base grew 9 percent while total employment in the United States expanded by nearly 25 percent, according to the BLS.

On the other hand, the housing bubble and subsequent bust that fueled the Great Recession largely bypassed Alexandria. During the recent cycle, Alexandria-area house prices fell just 4 percent, according to the Federal Housing Finance Agency. Meanwhile, in the nation's 20 largest metro areas, prices plunged 33 percent, according to the S&P Case-Shiller 20-City Home Price Index.

"You don't expect massive surges there, but you also don't expect major declines," said James Richardson, director of the Public Administration Institute and a professor of economics at Louisiana State University (LSU) in Baton Rouge.

**New technical college to address workforce challenges**

Like many smaller southern cities, Alexandria faces educational and socioeconomic challenges. For example, only 18 percent of adults 25 and over in Rapides Parish hold at least a bachelor's degree, compared with 21 percent in Louisiana overall and 29 percent in the United States, according to the U.S. Census Bureau. Median household income in Rapides was \$40,946 as of 2012, about \$3,700 below

the statewide level and \$12,000 below the national median (but slightly higher than Alexandria's median household income), according to census figures.

Finding skilled workers can be tricky. Train car manufacturer Union Tank Car Company is having a difficult time filling 40 to 50 open welder jobs at its Alexandria plant, Provostry said. Crest Industries, which makes electrical power equipment, faces similar challenges. It's not easy to find experienced engineers in central Louisiana or to convince them to move there, Crest Chief Executive Officer Kenneth Robison said. So the 600-employee company generally hires young engineers and technicians and trains them.

Still, there's another side to the company being located there, Robison explained. "People here have strong integrity and a strong work ethic," he said. The area is also well-suited for families and appeals to people who enjoy the outdoors, Robison added.

To address education and skills issues, a new technical college is in the works. Alongside vocational courses, the downtown campus will offer English classes in partnership with the LSU branch campus in Alexandria. The 1,500-student technical college's curriculum will be shaped in part by local employers to meet their needs.

"We have our challenges, particularly in education," Moller said. "But we're taking action. Things are happening." ■

*This article was written by Charles Davidson, a staff writer for EconSouth.*