Powering Economic Development

DEMCO continues to play a pivotal role in local economic growth

By Colette Boehm

The DEMCO service area has changed and grown tremendously during its eight decades in service. As the largest electric cooperative in Louisiana—with 112,000 meters across a seven-parish territory—DEMCO plays a major role in powering economic growth. All the while, its rates have remained among the lowest in the country, with members enjoying excellent reliability.

The region once again is experiencing major redevelopment in commercial office and industrial space. Along with the addition of new business DEMCO Vice President of Marketing and Member Services David Latona says this is not only good for the economy, but good for DEMCO members.

Louisiana residents have the lowest rates in the country.

“We work hard to keep costs low for our residential members, who represent 93% of our customer base,” Latona explains. “Additional bulk rate power supply not only supplies the new businesses, but it helps keep residential prices down.”

Those rates are one factor fueling growth in the Baton Rouge region. The DEMCO community—which includes Ascension, East Baton Rouge, East Feliciana, Livingston, St. Helena, Tangipahoa and West Feliciana parishes—is part of the nine-parish Capital Region promoted by the Baton Rouge Area Chamber.

The chamber is the lead economic development organization for the region. It works with business leaders and other local partners to attract new businesses and grow jobs.

“We’ve seen growth, specifically in suburban areas,” Latona says. “Much of this new commercial development is connecting the dots of those suburban areas. Interstate 12 starts in Baton Rouge and goes east. It runs right through the heart of our service area, and this is where we’re seeing extensive multiuse growth. Developments like The Greens at Millerville are an example of connecting the dots.”

The development is on the site of the old Fairwood Country Club. Plans call for 320 apartments and 393,000 square feet of retail and office space to be built on roughly 54 acres. (Account No. 03576301001)

“It’s a very diverse mix of businesses,” Latona notes. “There are many service providers, as well as several restaurants. Richards Honda is now open on a 9-acre property and The RV Shop is occupying 5 acres of land. There’s also office space and a 20,000-square-foot service center.”

The same type of growth is happening in other sectors throughout the Interstate 12 corridor. Another new cluster of developments is in the Juban Crossing area, near Denham Springs, with retail, restaurant and commercial development converging.

“This type of multiuse growth is a key element in the DEMCO five-year strategic plan,” says DEMCO CEO and General Manager Randy Pierce. “Economic development and business development go hand in hand: serving a growing and changing member base while keeping rates down and continuing to give back to the community. This focus is important to DEMCO members. It translates to new jobs and new tax revenues. In many cases, they’re bringing new services to our community. It’s good for the entire community.”

Jayson Newell is regional director of economic development at BRAC. He’s seen firsthand how the availability of reliable and affordable utilities attracts new business development.

“Economic development is a team sport,” Newell says. “We have staff who work with business expansions and we have a team working on recruiting new businesses. That team includes lots of partners, like DEMCO, to help us appeal to new prospects.”

DEMCO’s full-time staff includes business development, engineering design and operations professionals who provide value-added services that help bring new business to southeast Louisiana.

“Having people who know their product and know how to market it is a big advantage,” Newell says. “We’re thrilled to work with DEMCO. They are great partners, offer competitive power rates and are very responsive. They’ve got a good team and they are important in our efforts to continue to be successful.

“We are blessed here in Baton Rouge. We’ve been successful across diverse industry sectors. It’s been white-collar, blue-collar, tech projects and others. That all trickles down. These people bring jobs that bring people in. They will look for houses. They will shop in grocery stores. It’s good for everybody.”
DEMCO itself contributes to the local and state economy. In a recent study of economic impact from 2014 to 2018, DEMCO added $967.8 million to Louisiana’s gross state product, including $850.9 million in value added to the local economy.

DEMCO supported an average of 1,210 jobs a year and $395.8 million in wage income throughout Louisiana. In the local community, DEMCO is responsible for 1,103 jobs annually and $352.7 million in wage income.

“Our role in providing power is essential to the region’s growth and its overall quality of life,” Pierce says. “The co-op is a powerful business model established by the members we serve. Together, we generate $89.1 million in federal taxes and $93.1 million in state and local taxes in Louisiana.”

Pierce says this is an important reason to shop locally.

“The more we support these businesses, the more we are supporting economical, efficient power supplies to our neighborhoods,” he says. “In addition to our mom-and-pop stores, larger businesses coming in support the community by employing local people—and that makes us all more successful.”

Since 1938, DEMCO has focused on working with residential and commercial developers to support their needs and help shape the communities of its seven-parish region. As new commercial and industrial cluster developments and new business and residential members come online, DEMCO welcomes them as new members, and the cost-spread helps keep Louisiana rates the lowest in the country.

“We are committed to providing reliable service and affordable electric rates to all our members,” Pierce says. “We value this community, and appreciate that new business and new development translates into new jobs, a stronger local economy and an improved quality of life for our friends, families and neighbors.”