

## Selected Economic Highlights for 2014

Dec. 29, 2014

***The Economic Year in Review*** — Louisiana’s job growth since January 2008 has been significantly greater than the South and the United States overall, with the state ranking No. 2 in the South and No. 5 in the nation in private-sector employment growth.

With a diverse array of new project announcements and significant forward progress on previously announced projects (e.g., Benteler Steel/Tube at the Port of Caddo-Bossier, CenturyLink in Monroe, Cool Planet Energy Systems in Alexandria, Sasol in Calcasieu Parish, Bell Helicopter in Lafayette, IBM in Baton Rouge, Edison Chouest Offshore in Terrebonne Parish, and GE Capital in New Orleans), 2014 was a very encouraging year for the Louisiana economy.

Louisiana announced dozens of company expansions and relocations in 2014, launching projects that will result in more than 25,000 new jobs and more than \$16 billion in new capital investment, along with hundreds of millions in new sales for small businesses across Louisiana. Noteworthy projects include CSC’s 800-job integrated technology center in Bossier; a 90-job corporate headquarters expansion of Crest Industries in Pineville; CGI’s 400-job technology center at the University of Louisiana at Lafayette Research Park; Yuhuang Chemical’s \$1.85 billion methanol project in St. James Parish; and the Chiquita Brands container shipping project and the International Shipholding corporate headquarters relocation in New Orleans.

A variety of publications highlighted Louisiana’s economic development progress in 2014 with record rankings. Louisiana entered DCI’s state business climate Top 10 at No. 10, a gain of 20 spots since 2011. *Chief Executive* magazine reported that CEOs nationwide ranked Louisiana as the most-improved state for business over the past four years, with Louisiana improving 31 spots since 2010 to now rank No. 9. *Area Development* magazine ranked Louisiana No. 6 among the Top States for Doing Business, while *Site Selection* magazine ranked Louisiana No. 2 in its business climate report. *Business Facilities* ranked Louisiana No. 1 for the Best Business Climate in America, as well as No. 1 in the U.S. for state workforce development programs, highlighting LED FastStart® as the nation’s top program for the fifth consecutive year. In every national business climate ranking, Louisiana stands higher today than it ever did prior to 2008. Prior to 2008, Louisiana had never placed in the Top 10 of any national ranking of state business climates.

As the U.S. economy continues to recover, Louisiana will be positioned in 2015 to secure a substantial share of the nation’s new business investment projects. Louisiana’s economy also will experience significant job growth from projects announced over the past few years that are still ramping up. In the year ahead, business retention, small business development, recruitment of new growth industries, customized workforce solutions, attraction of foreign direct investment (FDI), and cultivation of attractive development sites will remain top priorities for LED.

---

### Louisiana outperforms the U.S. and the South

Since January 2008, Louisiana’s economic performance has exceeded that of nearly every other Southern state and the vast majority of the U.S.

- According to the U.S. Bureau of Labor Statistics, Louisiana has added 82,100 private-sector jobs since January 2008. Louisiana ranks No. 5 nationally and No. 2 in the South for private-sector employment growth in that time

period.

- Louisiana added 28,500 private-sector jobs over the last 12 months on record (November 2013 to November 2014). Since January 2008, the number of private-sector jobs in the U.S. has grown 1.8 percent while the South overall has experienced a 2.9 percent increase. Louisiana is up 5.2 percent during that same period of time.
- According to the U.S. Census, Louisiana's population growth rate over the past seven years through July 1, 2014, was more than 7 percent faster than that of the U.S. overall.
- For the seventh consecutive year, Louisiana has experienced net population in-migration, with more people moving into Louisiana than leaving the state. This continues a healthy trend for Louisiana after the state experienced a quarter-century of migration losses, with more people leaving Louisiana than moving into the state for 25 years in a row.
- The 2014 Kauffman Index of Entrepreneurial Activity ranks Louisiana No. 16 among states with the highest rate of entrepreneurial activity, with 310 of 100,000 adults each month creating a new business in Louisiana during 2013 (the latest available year).
- The U.S. Chamber Enterprising States 2014 report ranked Louisiana as the No. 1 exporting state in the U.S., placing first in two export measures and second in the remaining two.
- According to the U.S. Census Bureau Foreign Trade Division, for the six years ending in 2013 (latest available data), Louisiana's export growth (109 percent) nearly tripled the growth of U.S. exports (38 percent). Louisiana's exports totaled over \$63 billion in 2013, ranking the state No. 6 in the country for exports.
- Net Loans and Leases of Louisiana's 140 FDIC-insured institutions were up 28.4 percent from January 2008 to the end of September 2014, compared to the nation's growth of 3.0 percent. Total Assets of Louisiana's 140 FDIC-insured institutions were up 26.7 percent from January 2008 to the end of September 2014, compared to the nation's growth of 17.8 percent. Total Bank Equity Capital for Louisiana's 140 FDIC-insured institutions rose 40.8 percent from January 2008 to the end of September 2014, compared to the nation's growth of 27.6 percent.
- Per capita income in our state has grown by \$5,388 (15 percent) during the past six years and is at its highest level in more than 80 years.
- Louisiana's real GDP has grown by \$17.98 billion (8.8 percent) since January 2008, representing growth that is 86 percent faster than the national GDP and 38 percent faster than that of the South.

### **Louisiana advances in the national rankings**

Louisiana gained recognition as one of the top places in the U.S. for new and expanding businesses in 2014. In addition to now placing in the Top 10 in five national business climate rankings, the state of Louisiana continues to be recognized for its efforts to improve the state's business environment in every major national business climate ranking.

- Since 2008, Louisiana's ranking in every national ranking of state business climates has improved, including those published by *Area Development*, Beacon Hill Institute, *Business Facilities*, *Chief Executive*, CNBC, DCI, *Forbes*, Pollina Corporate Real Estate and *Site Selection*.
- Five national business climate rankings (*Area Development*, *Business Facilities*, *Site Selection*, *Chief Executive* and DCI) now place Louisiana among the Top 10 states in the U.S. for business.

- *Business Facilities* magazine named Louisiana the No. 1 business climate in the U.S., the first time Louisiana has topped a national ranking of state business climates. In addition, LED FastStart<sup>®</sup> – Louisiana’s customized workforce development program – earned the No. 1 ranking for state workforce programs from *Business Facilities* for an unprecedented fifth year in a row.
- *Site Selection* ranked Louisiana’s business climate No. 2 in the nation in 2014, an all-time high. Louisiana moved up from No. 6 in *Site Selection*’s 2013 business climate ranking, and 2014 marks the state’s fifth consecutive year in the Top 10.
- Louisiana ranked No. 6 overall in *Area Development* magazine’s 2014 Top States for Doing Business for the fourth year in a row. *Area Development* also recognized the state as No. 1 for economic development incentives, No. 2 for state workforce development programs, No. 3 for cooperative state government, No. 3 for most favorable regulatory environment, No. 4 for speed of permitting, and No. 5 in overall cost of doing business.
- Louisiana ranked No. 9 in *Chief Executive* magazine’s 2014 Best and Worst States for Business, in which hundreds of the nation’s top business leaders ranked states on business climate factors, such as taxes and workforce quality, and selected the best and worst states for business overall. Louisiana achieved its highest-ever position in the ranking again this year. Since 2010, Louisiana has improved a nation-best 31 spots in the *Chief Executive* survey.
- Based on a national survey of 356 corporate executives and site selection consultants, DCI ranked Louisiana’s business climate tied for No. 10 in the U.S. – a gain of 20 spots since 2011 – while also ranking Louisiana Economic Development tied for No. 2 in the U.S. for best-performing state economic development agency.
- *Southern Business & Development* recognized Louisiana as the 2014 State of the Year in the publication’s 15-state region, marking the fifth time in the past six years Louisiana has earned either State of the Year or Co-State of the Year honors in the South.
- Louisiana secured a remarkable 11-place improvement in the *Forbes* 2014 Best States for Businesses and Careers, ranking No. 29 – its highest placement ever. Louisiana’s improvement in the *Forbes* ranking since January 2008 tied for No. 1 in the South and No. 2 nationally.
- Pollina Corporate Real Estate ranked Louisiana’s business climate No. 16 in its 2014 rankings report, up 24 spots since 2008 – the largest improvement of any state in the past five years.

### **Louisiana cities and regions climb the rankings**

As Louisiana steadily climbs the national business climate and economic rankings, its cities and regions also are commanding positive national attention. For example:

- **Multiple Regions.** Baton Rouge, Lake Charles and Lafayette were named to *Southern Business & Development* magazine’s 2014 Top Ten Shining Examples of Economic Development That’s Working. Baton Rouge, New Orleans and Shreveport ranked first, second and third, respectively, among selected U.S. cities compared for cost competitiveness, according to KPMG’s 2014 Competitive Alternatives report.
- **Acadiana Region.** Moody’s Analytics recognized the Lafayette metropolitan area as the No. 3 Best Positioned Metro Area to Capitalize on the Shale Boom. As part of *Business Facilities* magazine’s 2014 Economic Development Awards, Lafayette was recognized as one of three U.S. metro areas for Achievement in IT Infrastructure.

- **Bayou Region.** The Houma-Bayou Cane-Thibodaux MSA was recognized by Moody's Analytics as No. 9 in its Best Positioned Metro Areas to Capitalize on the Shale Boom, and by *Forbes* magazine and NewGeography.com as the No. 8 Fastest-Growing Small City in the nation based on job and population growth. Morgan City ranked No. 5 among micropolitan areas with populations of 10,000 to 50,000 in *Site Selection* magazine's 2013 Governor's Cup rankings, based on the quantity of significant capital investment projects in the area.
- **Capital Region.** *Business Facilities* recognized the Baton Rouge Area Chamber for Achievement in Downtown Revitalization. IBM in Baton Rouge, a key part of that revitalization, received a 2014 Community Impact Award from *Trade & Industry Development* magazine for its exemplary investment in the community. IBM was one of 15 companies recognized nationwide. The IBM deal was also highlighted as one of *Site Selection* magazine's 2013 Top North American Deals. The 2013 Governor's Cup awards by *Site Selection* magazine recognized Baton Rouge as the No. 2 metropolitan area with a population of 200,000 to 1 million for the creation and expansion of corporate facilities in the area. *Southern Business & Development* recognized Baton Rouge as the 2014 Major Market of the Year. Baton Rouge also ranked among the Top 25 cities in the U.S. for the most construction jobs added in 2013, according to a report from the Associated General Contractors of America.
- **Central Region.** Gulf Coast Spinning in Bunkie received a 2014 Community Impact Award from *Trade & Industry Development* magazine for its exemplary investment in the community. Louisiana State University of Alexandria was named to Victory Media's 2015 Military Friendly Schools List.
- **Northeast Louisiana.** According an analysis of KPMG's 2014 Competitive Alternatives data for Louisiana metro regions, the Monroe area has the lowest effective tax rates for businesses in the state. Monroe also ranked as the No. 33 most affordable college town in the U.S., according to the Council for Community and Economic Research.
- **Northwest Louisiana.** The Shreveport MSA was recognized by Moody's Analytics as No. 17 in its Best Positioned Metro Areas to Capitalize on the Shale Boom. According to PayScale.com, graduates from Louisiana Tech University earn higher median early-career salaries and mid-career salaries than graduates from any other university in Louisiana. Northwestern State University's online programs were ranked 14th in the country in OnlineU.org's list of the 2015 Best Value Online College Rankings.
- **Southeast Louisiana.** KPMG ranked New Orleans as the most cost-friendly city for businesses among 13 United States metropolitan areas with populations of 1 million to 2 million people in its 2014 Competitive Alternatives report. *Forbes* ranked New Orleans as America's No. 1 New Brainpower City. Airline Weekly recognized Louis Armstrong New Orleans International Airport as the fastest-growing airport in the nation last year, increasing 7 percent in passengers handled from 2012 to 2013.
- **Southwest Louisiana.** *Southern Business & Development* recognized Lake Charles as its 2014 Mid-Market of the Year. Lake Charles also ranked among the Top 25 cities in the U.S. for the most construction jobs added in 2013, according to a report from the Associated General Contractors of America

### **Louisiana enjoys strong year for job, investment growth**

Dozens of companies contributed to Louisiana's growing economy in 2014, committing thousands of new jobs and billions in new capital investment.

- Working with its local and regional partners, LED secured 71 major project wins in 2014, including 44 expansion or retention projects and 27 new projects. The wins occurred in Louisiana's traditional industries, such as energy and manufacturing, as well as in new growth industries, such as digital media and software development, along with emerging logistics and international commerce projects.

- Together, these projects are projected to retain more than 11,500 jobs and create about 8,200 new direct jobs and nearly 17,000 new indirect jobs, for a total of more than 25,000 new jobs, as well as more than \$16 billion in new capital investment.
- As these projects are executed, they will result in hundreds of millions of dollars in new sales for Louisiana small businesses, as well as about \$61 million per year in new state tax revenue.
- The totals above exclude the direct support LED provided to thousands of Louisiana small businesses in 2014, including more than 1,579 small businesses served by LED's Small Business Services team and nearly 10,000 small businesses and individuals served by the Louisiana Small Business Development Center network, or LSBDC, with sustained funding support from LED.
- From Jan. 1 through Nov. 30, 2014, LED and LSBDC efforts generated approximately 745 new jobs, retained 234 jobs and helped launch 102 new businesses representing \$36.7 million in debt and equity investment for Louisiana small businesses. These services also generated an estimated increase in sales of more than \$20 million.
- During 2014, LED staff completed the final stage of a multiyear State Trade and Export Promotion (STEP) Program, resulting in the department working with existing firms to assess their interest in international trade and referring 92 businesses into the program.
- In 2014, LED's Office of Entertainment Industry Development oversaw sustained high levels of television and movie production in Louisiana, with film companies submitting audited expenditures of more than \$705 million during the year. Early in the year, Louisiana-based productions *12 Years a Slave* and *Dallas Buyers Club* earned Academy Awards.

### **Louisiana supports existing businesses**

LED's No. 1 priority in 2014 continued to be its business retention and expansion efforts. This emphasis and the performance of LED's Business Expansion and Retention Group contributed to a broad spectrum of Louisiana companies committing to stay and grow in Louisiana during 2014. Some selected examples follow:

- Crest Industries announced a \$2.3 million corporate headquarters expansion, adding 90 new direct jobs and 22,500 square feet at its five-building Pineville campus, with a resulting 105 new indirect jobs and the retention of 559 Crest jobs statewide. The company also acquired Precision Cutting Specialties of Eunice, where Crest will invest \$5 million in a new machining facility, with 44 new direct and indirect jobs resulting in Acadiana.
- Marathon Petroleum announced a potential \$2.2 billion to \$2.5 billion upgrade to its Garyville refinery, the third-largest refinery in the U.S. Pending a final investment decision in the first quarter of 2015, Marathon would create 65 new direct jobs with an average salary of \$115,000 while retaining 800 existing Marathon employees who are joined by 650 contract workers. An estimated 304 new indirect jobs would result, along with 3,000 construction jobs and a 1.2 million gallons-per-day boost in ultra low-sulfur diesel.
- Pod Pack International of Baton Rouge announced a \$10.1 million capital investment in a 75,000-square-foot expansion to increase its production of compostable coffee and tea pods. In addition to retaining 19 jobs, the company will create 19 new direct jobs in a project that will result in an estimated 67 new indirect jobs.
- Centric Pipe, an affiliate of SB International, will make a \$32.5 million capital investment to renovate and expand the former Northwest Pipe facility in Bossier City. Centric Pipe's production of oil country tubular goods will be accompanied by the creation of 82 new direct jobs, with an average salary of \$50,000 a year, and result in an estimated 209 new indirect jobs in Northwest Louisiana and surrounding parishes.

- Renaissance RX, an emerging New Orleans biomedical company, will create 425 new direct jobs while making a capital investment of \$8 million in a new headquarters location in the Central Business District of the city. The project will result in an estimated 407 additional new indirect jobs as Renaissance RX experiences rapid growth in demand for its DNA-based, personal medicine treatment guides for physicians and their patients nationwide.
- Westlake Chemical in Lake Charles announced a \$330 million capital investment to expand its production of ethylene, a building block for plastic products. The company will retain 480 existing jobs and create 25 new direct jobs, with an estimated 164 additional new indirect jobs and 1,000 construction jobs resulting. The project announcement came less than one year after Westlake Chemical completed a \$425 million chlor-alkali plant expansion in Geismar that resulted in more than 450 new direct and indirect jobs.
- In Scott, DEL Corporation announced a \$4.3 million capital investment to expand its manufacturing facility by 40,000 square feet, creating 90 new direct jobs (with an average annual salary of \$62,600), retaining 50 jobs and resulting in an estimated 200 new indirect jobs. The company manufactures custom tank systems, along with solids-separation and dewatering equipment for a global customer base.

### **Louisiana cultivates new logistics, international commerce opportunities**

With global leadership in energy and shipping infrastructure, Louisiana increased its recruitment of international commerce investment, attracting new projects in import-export activities ranging from produce to plastics and liquefied natural gas during 2014. Some selected examples follow:

- TCI, a division of New Orleans-based Jensen Companies, announced a \$36.5 million capital investment to develop a 500,000-square-foot logistics facility focused on packaging and shipping PVC resin and polyethylene from the Port of New Orleans. The logistics project will create 160 new direct jobs while resulting in 183 new indirect jobs and retaining 200 existing TCI and Jensen Companies jobs in the state.
- Agrico Sales announced a \$2 million capital investment to move its production of conveyor and shiploading systems from Bridge City in Jefferson Parish to eastern New Orleans. The expansion will retain 35 existing jobs while creating 25 new direct jobs and resulting in an estimated 41 new indirect jobs.
- International Shipholding Corporation, or ISH, announced the relocation of its corporate headquarters from Mobile, Alabama, where it moved following Hurricane Katrina, back to its original home of New Orleans. ISH will create 100 new direct jobs (with an average annual salary of \$70,000) in a renovated, 50,000-square-foot Warehouse District headquarters building. The owner/operator of a global fleet of 50 cargo vessels, ISH also brokers maritime services for international customers. The project will result in an estimated 113 new indirect jobs.
- Cheniere Energy announced an expanded scope for its historic \$18 billion investment in LNG facilities in Cameron Parish. Its initial four liquefaction trains under construction represent an investment of approximately \$12 billion. Two additional trains, or production units, will join them and the total investment will come online in the next five years. The LNG export project will create 400 new direct jobs (with an average annual salary of \$100,000 per year) and result in an estimated 1,569 new indirect jobs, along with 4,500 construction jobs.
- Sempra Energy broke ground on its \$6 billion LNG liquefaction and export terminal complex in Cameron Parish, where the company's LNG operations will create 140 new direct jobs (averaging \$80,000 per year) and result in an estimated 657 new indirect jobs and 3,000 construction jobs. The latest LNG project retains 60 existing jobs and will bring Sempra's Cameron LNG total investment to \$10 billion.
- Venture Global announced a capital investment of \$4.25 billion in an LNG liquefaction processing complex and export terminal on the Calcasieu Ship Channel at the Gulf of Mexico. The Cameron Parish project will create 100

new direct jobs, result in an estimated 326 new indirect jobs and generate 1,500 construction jobs.

- Chiquita Brands International announced the relocation of banana and produce container cargo from Gulfport, Mississippi, to the company's traditional port home of New Orleans. There, Chiquita will ship 60,000 to 78,000 twenty-foot-equivalent units, or TEUs, each year, representing a roughly 15 percent increase in container cargo at the Port of New Orleans. The relocation will create 270 to 350 new permanent jobs associated with the incoming fruit cargo and outgoing containers of other cargo bound for Central America. The project will yield a total economic output of \$373 million to \$485 million in Louisiana over the next decade.

### **Louisiana attracts game-changing software and technology investments**

Buoyed by its attraction of IBM in 2013 and earlier technology projects by EA, Gameloft, and GE Capital, Louisiana hit a new stride of rapidly growing tech sector announcements, with major players in software development, IT consulting, digital media and cybersecurity selecting Louisiana for critical investments during 2014. Some selected examples follow:

- CSC selected the 3,000-acre National Cyber Research Park in Bossier City for its 800-job, integrated technology center that will support major federal and commercial clients in cloud computing, cybersecurity, big data and application modernization projects. The company chose Louisiana over more than 130 competing sites in the U.S. for a 116,000-square-foot integrated technology center featuring a state-of-the-art data center and transformative technology solutions. A 10-year higher education initiative led by Louisiana Tech University and key support from LED FastStart and the park's Cyber Innovation Center helped land the historic project in Northwest Louisiana.
- CGI announced the selection of the University of Louisiana at Lafayette Research Park for a new 400-job technology center that will develop complex business and IT solutions for its customers. A 10-year higher education initiative led by UL Lafayette will help supply a pipeline of talent from the university's School of Computing and Informatics, with the project resulting in an estimated 405 new indirect jobs and a total annual payroll of \$22 million.
- Enquero – founded by former managers at India's largest technology consultancy, Infosys; Microsoft; and other tech firms – announced the selection of Lafayette for an enterprise software center. The project will create 350 new direct jobs (with an average annual salary of more than \$64,000) and result in an estimated 354 new indirect jobs. Based in Silicon Valley, Enquero will launch its Agile Delivery Center™ model in Lafayette.
- In Jefferson Parish, 4th Source announced the relocation of its corporate headquarters from the Atlanta area to greater New Orleans, where the company also will establish its fourth U.S. office delivering near-shore technology and IT services. The project will create 320 new direct jobs and result in an additional 412 new indirect jobs.
- Perficient, a leading IT and management consulting firm based in St. Louis, announced the establishment of a new software development center in Lafayette. There, Perficient will create 245 new direct jobs with an average annual salary of \$60,000. An estimated 248 new indirect jobs will result as Perficient serves major health care, financial services, retail, energy, electronics, automotive and manufacturing customers.
- Performance Software, a Phoenix-based systems and software developer specializing in the avionics and defense industries, will establish a 58-job software development center in New Orleans, with salaries averaging \$75,000 per year. The project will result in an estimated 59 new indirect jobs as Performance Software also pursues new business in the energy and health care industries.
- India-based Stixis announced the selection of the Louisiana Technology Park in Baton Rouge for its new 230-job

technology development center specializing in comprehensive software and IT solutions for a broad range of sectors, including oil and gas, health care, digital media and entertainment, education and retail. An estimated 233 new indirect jobs will result from the project, for which Stixis evaluated sites in Virginia, Florida, Texas and other states.

- High Voltage Software, a 21-year-old video game development company, selected New Orleans for a new 80-job game development studio representing the firm's first major expansion from its Chicago-area headquarters. The largest independent video game developer in the Midwest, HVS chose Louisiana for its leading business climate and competitive digital media incentive. Jobs at the New Orleans studio will range from \$50,000 to \$120,000 a year.

### **Louisiana expands its energy, chemical and manufacturing assets**

The state's traditional energy sector ventured into accelerated growth with innovative projects during 2014, led by Sasol's decision to proceed with its 1.5 million tons-per-year ethylene project; the completion of the world's largest hydrogen pipeline network by Air Products; a pair of more than \$1 billion methanol projects; and groundbreaking sugar cane biomass investments. Some selected examples follow:

- Sasol announced its final investment decision on an \$8.1 billion ethane cracker complex in Lake Charles, where the company will create 500 new direct jobs (average annual salary of \$88,000). The chemical manufacturing project will result in an estimated 2,395 new indirect jobs and 5,000 construction jobs as the company also prepares for a final investment decision on its planned \$11 billion to \$14 billion gas-to-liquids project over the next two years.
- By establishing four major hydrogen plants along the Mississippi River from Baton Rouge to New Orleans, Air Products created the world's largest hydrogen pipeline network system, tripling the company's production capacity and supporting thousands of Louisiana jobs at refineries and petrochemical plants. Air Products retained 308 existing Louisiana jobs with the more than \$1 billion capital investment that yielded more than 150 new direct and indirect jobs.
- Yuhuang Chemical selected a St. James Parish site for the establishment of a \$1.85 billion, world-scale methanol manufacturing complex on the Mississippi River. The investment by a subsidiary of Shandong Yuhuang Chemical Co. Ltd. represents the first major foreign direct investment by a mainland Chinese company in Louisiana and will create 400 new direct jobs while resulting in an estimated 2,365 new indirect jobs and 2,100 construction jobs.
- Castleton Commodities International announced a \$1.2 billion capital investment in a methanol manufacturing plant and terminal in the Braithwaite area of Plaquemines Parish. The project will create 50 new direct jobs (average salary of \$72,000), with an estimated 291 new indirect jobs and 1,000 construction jobs resulting from the investment. The project will revive a dormant 387-acre, former AMAX Nickel site on the Mississippi River south of New Orleans.
- In St. Charles Parish, AM Agrigen Industries announced a potential \$1.2 billion capital investment to produce granulated urea fertilizer for domestic and global customers. The company would create 150 new direct jobs pending a final investment decision in 2015, with an estimated 1,025 new indirect jobs resulting. AM Agrigen filed environmental permit applications in 2014 in anticipation of construction beginning as soon as mid-2015.
- IntegriCo Composites announced a \$20 million capital investment to reopen a closed Springhill manufacturing space, with the project to create 300 new direct jobs and result in an estimated 339 new indirect jobs. IntegriCo, which will relocate its corporate headquarters from Texas to Louisiana, manufactures innovative composite railroad ties, rail crossings and industrial mats using landfill-bound plastic waste to make its products.



The rail and related products feature longevity of more than 50 years – many years longer than their wood counterparts.

- Virdia, a U.S. subsidiary of Finland-based Stora Enso, will lead a \$60 million capital investment in a biochemical processing plant that will convert sugarcane bagasse into high-value industrial sugars and biofuels. The Raceland project, which will yield 81 new direct jobs and an estimated 469 new indirect jobs, represents an emerging trend for converting sustainable Louisiana biomass material into chemical and energy goods.
- NFR BioEnergy announced a \$312 million capital investment in a series of biorefineries, beginning with its base of operations in White Castle. Subject to completing lease and biomass agreement with 10 South Louisiana sugar mills, the company will create 450 new indirect jobs (average salary of \$54,000 per year). An estimated 1,903 new indirect jobs will result as NFR BioEnergy produces energy pellets for global electricity providers, using research aided by UL Lafayette's Energy Institute.

### **The year ahead: harnessing Louisiana's economic momentum**

Louisiana extended its streak of good economic news in 2014, securing projects that will add more than 25,000 new jobs and more than \$16 billion in new capital investment, and cultivating compelling new projects in international commerce, energy and technology.

In the coming year, LED will pursue targeted initiatives for 2015 that enhance Louisiana's economic competitiveness; retain and strengthen Louisiana's existing economic-driver firms; support Louisiana's small businesses; cultivate attractive development sites; offer world-class, customized workforce solutions and partner with LCTCS to ramp up industrial craft labor training; pursue more FDI projects to diversify the state's economy; and recruit new growth industries to Louisiana.

As the U.S. economy continues to recover, Gov. Bobby Jindal, the Louisiana Legislature and LED will continue working with the state's business community in 2015 to build upon Louisiana's economic momentum.

# Appendix

## Introduction

Included below is an annual overview of each business incentive and assistance program administered by LED. The programs cover a wide range of important economic development objectives, for example:

- fostering job growth and private-sector investment
- assisting in entrepreneurship and small business growth
- delivering a trained workforce for new or expanding companies
- catalyzing research & development investment
- increasing Louisiana’s presence in entertainment-related industry sectors
- encouraging redevelopment of existing buildings
- encouraging development and job opportunities within economically depressed areas

For each business incentive and assistance program, a brief description of the program’s objective and calendar year 2014 performance information are included. The performance information highlights 2014 activity levels and illustrates the impact being delivered through the various programs.

The total number of jobs included in this annual overview is higher than the number of jobs included in the upfront summary due primarily to:

- the upfront summary only includes selected major economic development projects,
- projects with substitution effects are excluded from the upfront summary, but included in the annual overview,
- some announced projects haven’t yet completed the incentive application process,
- job totals for a single company may be counted twice (or more) if multiple incentive programs are utilized for the same project.

## Small Business Development Centers

The Louisiana Small Business Development Center (LSBDC Network) provides low- or no-cost guidance and training for small business owners and potential owners. Part of a statewide network supported by the U.S. Small Business Administration (SBA), Louisiana Economic Development and the host universities; the LSBDC serves Louisiana businesses through free confidential counseling, nominally priced group training, and business information resources. The program serves traditionally underserved populations such as minorities, women and veterans.

Businesses Receiving Counseling by SBDCs:	2,815
Individuals Trained by SBDCs:	6,146
Business Starts by SBDC Clients:	101
Anticipated Jobs Created by SBDC Clients:	454

Loans Received by Small Businesses Assisted at SBDCs (\$million): 26.3

### **Small and Emerging Business Development Program**

Forward progress is the purpose of LED's Small and Emerging Business Development, or SEBD, program. With a commitment to ongoing sustainable economic and human development, the program helps Louisiana's small businesses help themselves by assisting with entrepreneurial training, legal needs, marketing, computer skills and accounting. A business must be certified through the SEBD program to obtain these services, offered by small business development centers, universities and consultants in Louisiana's rural and urban areas. Technical Assistance (TA) is provided as developmental assistance including entrepreneurial training, marketing, computer skills, accounting, business planning, legal and industry-specific assistance. Certification also determines eligibility for additional guaranty support under the Louisiana Economic Development Corporation Loan Guaranty Program, and consideration for bidding on selective service or product purchases by state agencies.

Small Businesses Certified:	553
TAs Provided to Certified Businesses:	167
Percentage by which Assisted Certified Businesses 2-Year Survival Rate Exceeds Similar Businesses:*	18.3

\*This figure represents FY 13-14 because it is a labor-intensive effort to monitor all businesses assisted two years ago and determine if they are still in business. This is done once per year at the end of the fiscal year.

### **Hudson Initiative and Veteran's Initiative**

The Hudson Initiative provides Louisiana small businesses meeting the criteria of small entrepreneurships with greater potential for access to state procurement and public contract opportunities. The Veteran's Initiative does the same thing for businesses that are at least 51% owned by Veterans and/or Service-Connected Disabled Veterans.

Small Entrepreneurships Certified:	813
Veteran Owned Businesses Certified:	137
Service-Connected Disabled Veteran Owned Businesses Certified:	46

### **Small Business Loan Program**

The Small Business Loan program provides loan guarantees and participations to banks in order to facilitate capital accessibility for Louisiana small businesses. The program's purpose is to provide financial assistance, which will help with the development, expansion and retention of Louisiana's small businesses. Guarantees may range up to 75% of the loan amount, not to exceed a maximum of \$1.5 million.

New Projects:	15
Total Bank Loans to Businesses (\$million):	10.7
Anticipated New Direct Jobs:	444
Anticipated Retained Jobs:	173

### **Quality Jobs**

The Quality Jobs (QJ) program is designed to encourage businesses in certain targeted industry sectors to locate and/or expand existing operations in Louisiana, and to create a minimum of 5 full-time jobs with salaries and medical benefits that meet established levels. The program provides a cash rebate to companies that create well-paid jobs and promote economic development. Provides up to 6% rebate on annual payroll expenses for up to 10 years; and either a 4% sales/use tax rebate on capital expenditures or an investment tax credit equal to 1.5% of qualifying expenses.

New Projects:	45
Anticipated New Direct Jobs:	5,520
Anticipated Construction Jobs:	3,847
Anticipated Associated Capital Investment (\$million):	10,714.2

### **Enterprise Zone**

The Enterprise Zone (EZ) program is designed to encourage businesses in certain targeted industry sectors to locate and/or expand existing operations in or near economically distressed areas, and to create a minimum of five full-time jobs filled by residents in or near the economically distressed areas. The program provides Louisiana income and franchise tax credits to a business hiring at least 35% of net new jobs from one of four targeted groups. EZs are areas with high unemployment, low income or a high percentage of residents receiving some form of public assistance. A business must create permanent net new jobs at the EZ site. The program provides a \$2,500 tax credit for each certified net new job created; and either a 4% sales/use tax rebate on capital expenditures or income and franchise tax credits up to 1.5% of investment. Act 423 of the 2013 Regular Legislative Session excluded part-time employees and limited retail establishment participation to only establishments with less than 100 employees statewide and all grocery stores and pharmacies within enterprise zones.

New Projects:	119
Anticipated New Direct Jobs:	4,074
Anticipated Construction Jobs:	6,709
Anticipated Associated Capital Investment (\$million):	3,602.3

### **Restoration Tax Abatement**

The Restoration Tax Abatement (RTA) program is designed for municipalities and local governments to encourage business and homeowners to make improvements on their properties located in specified areas. The program provides five-year 100% local property tax abatement for the expansion, restoration, improvement and development of existing commercial structures and owner-occupied residences in Downtown Development Districts, Economic Development Districts, Historic Districts or properties listed on the National Register of Historic Places.

New Projects:	52
Anticipated New Direct Jobs:	576
Anticipated Construction Jobs:	2,155
Anticipated Associated Capital Investment (\$million):	151.1

### **Industrial Tax Exemption**

The Industrial Tax Exemption (ITE) program is designed to encourage capital investment at new or existing manufacturing facilities. The program provides local property tax abatement for up to 10 years on a manufacturer's new investment and annual capitalized additions. This exemption applies to all improvements to the land, buildings, machinery, equipment and any other property that is part of the manufacturing process

New Projects:	703
Anticipated New Direct Jobs:	2,459
Anticipated Construction Jobs:	33,337
Anticipated Associated Capital Investment (\$million):	8,894.7

### **Retention & Modernization Tax Credit Program**

The Modernization Tax Credit program provides a 5% refundable state tax credit for manufacturers making capital investments to modernize or upgrade existing facilities in Louisiana. The program provides a one-time 5% refundable state tax credit on capital expenditures taken over a five-year period (1% per year for five years) for manufacturers making qualified capital investments of at least \$5 million. To qualify for the program, a company must meet one of the following criteria: (1) Modernization helps improve entire efficiency of the entire facility or specific unit by greater than 10%, or (2) The facility is in competition for capital expenditures within a company's established, competitive capital expenditure budget plan. There is a \$10 million annual statewide cap on the program in credits awarded to projects. Any unused credits can be rolled into the next calendar year. Projects determined to have the highest economic impact by Louisiana Economic Development are awarded pre-certification credits on a rolling basis. Pre-certification is required prior to final award of credits, which are awarded only when the project has been placed in service. Only projects placed in operation on or after July 1, 2011, can qualify for the program.

New Projects:	10
Amount of Tax Incentives Awarded (\$million):	22.7
Anticipated New Direct Jobs:	410
Anticipated Retained Jobs:	4,972
Anticipated Associated Capital Investment (\$million):	1,150.9
Anticipated New Payroll (\$million):	23.7
Anticipated Retained Payroll (\$million):	460.9

### **Motion Picture Investor Tax Credit**

The Motion Picture Investor Tax Credit is designed to encourage feature film and television production in the state. The program provides a transferrable 30% tax credit on qualified motion picture expenditures made within the state. Payroll expenditures for Louisiana residents qualify for an additional 5% tax credit (35% effective total credit rate).

Number of applications received:	124
Number of applications receiving final certification:*	122
Certified spending in the state (\$million):	727.8
Amount of tax credits certified (\$million):	226.5

\*May include applications received in other reporting periods and may not include some applications received in 2014.

### **Digital Interactive Media and Software Tax Credit**

The Digital Interactive Media and Software Tax Credit program is designed to encourage entertainment technology development in the state and to develop and support a highly skilled, creative, technology-driven workforce. It targets gaming, simulation training, web applications and the next generation of distributed entertainment. The program provides a tax credit of 25% of qualified production expenditures for state-certified digital interactive productions in Louisiana and 35% tax credit for payroll expenditures for Louisiana residents.

Number of applications received:	130
Number of applications receiving final certification:*	58
Certified spending in the state (\$million):	16.5
Amount of tax credits certified (\$million):	5.9

\*May include applications received in other reporting periods and may not include some applications received in 2014.

### **Sound Recording Investor Tax Credit**

The Sound Recording Investor Tax Credit program encourages investment in musical recording production in the state. The program provides a 25% refundable tax credit for qualified Louisiana production expenditures. The program is subject to a cap of \$3 million in tax credits

each calendar year. Projects qualifying for the tax credits after the annual cap has been reached are automatically placed in the queue to receive tax credits in the next calendar year.

Number of applications received:	37
Number of applications receiving final certification:*	16
Certified spending in the state (\$million):	1.1
Amount of tax credits certified (\$million):	0.3

\*May include applications received in other reporting periods and may not include some applications received in 2014.

### **Musical and Theatrical Production Tax Credit**

The Musical and Theatrical Production Tax Credit program encourages the growth and expansion of the infrastructure and production in the concert and theatrical industries. The program offers a fully transferable tax credit that can be sold or applied against Louisiana tax liability. Tax credits received for infrastructure cannot exceed \$10 million per project and are also subject to a \$60 million annual cap. There is no annual cap on the production credits. The tax credit value increases with higher levels of Louisiana expenditures and jobs. The program also incentivizes and provides support for collaboration with Louisiana's top educational institutions.

Number of applications received:	5
Number of applications receiving final certification:*	4
Certified spending in the state (\$million):	1
Amount of tax credits certified (\$million):	0.1

\*May include applications received in other reporting periods and may not include some applications received in 2014.

### **Research & Development Tax Credit**

The Research and Development Tax Credit program encourages businesses with operating facilities in Louisiana to establish or continue research and development activities within the state. Companies claiming the federal income tax credit for research activities can claim against state income and corporation franchise taxes. The purpose of the research and development tax credit is to encourage new and continuing research and development activities within Louisiana. The current R&D credit is structured as a tiered system where companies of any size can receive a refundable tax credit for Louisiana qualified research expenditures.

Credits allowed for expenditures made in 2009 and thereafter:

- Eight percent of the state's apportioned share of the taxpayer's expenditures for increasing research activities, if the taxpayer is an entity that employs 100 or more Louisiana residents.
- Twenty percent of the state's apportioned share of the taxpayer's expenditures for increasing research activities, if the taxpayer is an entity that employs 50 to 99 Louisiana residents.



- Forty percent of the state’s apportioned share of the taxpayer’s expenditures for research activities, if the taxpayer is an entity that employs less than 50 Louisiana residents.
- Twenty five percent of the state’s apportioned share of the federal research credit claimed for research expenditures in the state if the taxpayer claims the alternative incremental tax credit under 26 U.S.C. §41.

Number of applications approved:	211
Certified R&D spending in the state (\$million):	204.7
Total Credits Certified (\$million):	25.9

### **Technology Commercialization Tax Credit & Jobs Program**

The Technology Commercialization Credit and Jobs program provides tax credits for companies that invest in the commercialization of Louisiana technology. Qualifying research centers that develop Louisiana technology to be commercialized may be granted a refundable tax credit based on new jobs created. The technology must be created by a Louisiana business and researched by a Louisiana university or college. Eligible entities can also receive jobs tax credits of up to 6% of gross payroll for all new jobs created.

New Projects:	6
Total Credits Certified (\$million):	0.2
Approved Commercial Costs (\$million):	0.5

### **Angel Investor Program**

The Angel Investor Tax Credit (AITC) Program encourages accredited investors to invest in early stage, small wealth-creating Louisiana businesses that seek startup and expansion capital. It provides for a 35% tax credit on investments by accredited investors who invest up to \$1 million per year for up to \$2 million total, in businesses certified by Louisiana Economic Development as Louisiana Entrepreneurial Businesses. The program has an annual cap of \$5 million.

Number of projects:	16
Anticipated Retained Jobs:	170
Anticipated New Jobs:	125
Anticipated Payroll (\$million);	10.5
Anticipated Annual Gross Revenues (\$million):	54.9
AITC’s Issued (\$million):	3.6

### **Venture Capital Match & Co-Investment Program**

The Venture Capital Match Program provides for a match investment for qualified Louisiana venture capital funds. The venture capital fund must have at least \$5 million of private

investment. The funds are matched on one state dollar for each two private capital dollars, not to exceed a state investment of \$5 million. The Co-Investment Program provides for a co-investment in a Louisiana business of up to ¼ of the round of investment, not to exceed \$500,000, with any qualified venture capital fund with at least \$7.5 million in private capital. The venture capital fund may be from outside Louisiana.

Number of projects:	2
State Investment (\$million):	0.4
Funds leveraged (\$million):	2.5

**LED FastStart® Program**

LED FastStart provides customized recruitment, screening and training to new and expanding, eligible companies. Recognized for its innovation, effectiveness and efficiency since its launch in 2008, LED FastStart quickly established a presence among workforce solutions programs nationwide and has been named the number one workforce solution in the country five years in a row (2010-2014). Based on a company's immediate and long-term workforce needs, the LED FastStart team crafts unique programs that ensure workers are prepared on day one and beyond. LED FastStart's innovative, customized programs are available to companies that meet eligibility requirements and are aligned with Louisiana's economic development targets, including digital media, headquarters and business operations, service industries, advanced and traditional manufacturing, warehouse and distribution, and research and development. Service industries, headquarters and business operations, and warehouse and distribution companies must also have a majority of sales out of state. To qualify, a company must first commit to creating a net of at least 15 new, permanent manufacturing jobs, or a net of at least 50 new, permanent service-related jobs. Each request is evaluated prior to project commencement to ensure all eligibility requirements are met.

New Projects:	30
Employees Trained:	4,257
Anticipated New Direct Jobs:	5,652
Anticipated Retained Jobs:	1,195
Anticipated Associated Capital Investment (\$million):	2,213.1

**Rapid Response Fund**

The Rapid Response Fund is used for immediate funding of all or a portion of economic development projects to secure the creation or retention of jobs. The Fund can be utilized for both small and large projects; whereas, the Mega-Project Development Fund is focused on large projects. The Rapid Response Fund helps position Louisiana to win business development where multiple states are competing. LED manages its use of the Rapid Response Fund such that projects utilizing the Fund generate a positive return on investment (ROI) as measured by projected tax revenues. Prior to utilizing the Fund, LED performs an ROI assessment based on

industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections.

New Projects:	5
Award Amount (\$million):	13.7
Anticipated Retained Jobs:	328
Anticipated New Direct Jobs:	1,743
Anticipated New Indirect Jobs:	1,994
Anticipated New Total Jobs (Direct and Indirect):	3,737
Anticipated Associated Capital Investment (\$million):	157.2
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	9.0

**Economic Development Award Program**

The Economic Development Award Program (EDAP) is designed to assist industrial or business development projects that promote targeted industry economic development and require state assistance for basic infrastructure development. The program provides a minimum of \$50,000 to entities which are sponsored or unsponsored by a public or quasi-public state entity or political subdivisions for developing publicly owned infrastructure or privately-owned property and improvements which include the purchase or leasing of a building site, the purchase or construction, renovation, rebuilding and improvement of buildings, their surrounding property, for machinery and equipment purchases and rebuilding, and for additional costs related to and incurred in connection with the location or relocation of the business enterprise to advance industrial or business development projects which create or maintain at least 10 jobs. The program is managed such that projects utilizing the program generate a positive return on investment (ROI) as measured by projected tax revenues. Prior to utilizing the program, LED performs a ROI assessment based on industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections.

New Projects:	11
Award Amount (\$million):	10.6
Anticipated Retained Jobs:	774
Anticipated New Direct Jobs:	1,153
Anticipated New Indirect Jobs:	2,651
Anticipated New Total Jobs (Direct and Indirect):	3,804
Anticipated Total Capital Investment (\$million):	2,344
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	10.3

**EXISTING PROGRAMS WITH NO NEW ACTIVITY IN 2014**

The following existing programs had no new activity in 2014, only renewals or continuations of commitments from prior years.

**Small Business Bonding Assistance Program**

The Small Business Bonding Assistance Program aids certified small and emerging businesses in reaching the bonding capacity required for specific projects. When a qualified Small and Emerging Business requires quality bid, performance and payment bonds from surety companies at reasonable rates, the Bonding Assistance Program can help reach the bonding capacity required for specific projects. The Bonding Assistance Program is available for qualified companies who have never been bonded, and for companies that have been bonded but are increasing bonding capacity

**Industry Assistance Program**

The Industry Assistance Program provides a tax exemption when manufacturers and their contractors give preference and priority to Louisiana manufacturers or Louisiana suppliers, engineers, contractors and labor, except where not reasonably possible to do so without added expense or substantial inconvenience. The manufacturer must commit and maintain current employment and a significant investment to continue doing business in Louisiana. Taxes or portions of taxes to be exempt can include the following: the corporation franchise tax, state sales and use taxes on goods necessary for production, state sales and use taxes on machinery and equipment, the corporation income tax, and any other taxes imposed directly by the state on the applicant.

### **Tax Equalization Program**

The Tax Equalization Program equalizes the overall taxes between a Louisiana site and a competing site in another state to encourage businesses to locate or expand in Louisiana. Eligibility includes new and expanding manufacturing establishments, headquarters, warehousing, and distribution facilities.

### **Micro Loan Program**

The Micro Loan Program provides loan guarantees and participations to banks that fund loans ranging from \$5,000 to \$50,000 to Louisiana small businesses.

### **Urban Revitalization Tax Credit Program**

The Urban Revitalization Tax Incentive Program was established to stimulate economic development and create new jobs in urban and rural communities by providing tax incentives to small businesses that locate their principal office and work sites in a Historically Underutilized Business (HUB) Zone. Additionally, the small business must obtain HUB Zone approval from the local governing authority and must employ staff that reside in or adjacent to the HUB Zone, receive some form of public assistance prior to employment, or are unemployable by lacking in basic skills. The program provides a \$5,000 credit per net new job and will qualify the business to participate in the federal Workforce Investment Act Program through the Louisiana Workforce Commission. A business participating in this program cannot also participate in the Enterprise Zone Program.

### **Atchafalaya Natural Heritage Area Development Zone Tax Credit Program**

The Atchafalaya Development Zone Tax Credit Program was created to boost economic development within the Atchafalaya National Heritage Area and is administered by the Department of Culture, Recreation, and Tourism. The program is available to businesses that meet the criteria in the following 14 parishes: Concordia, Avoyelles, St. Landry, Pointe Coupee, East Baton Rouge, West Baton Rouge, Iberville, St. Martin, Lafayette, Iberia, St. Mary, Assumption, Terrebonne and Ascension. The program is directed at small businesses (fewer than 20 employees) that make use of the natural, cultural and historic assets of the Heritage Area. The program offers a one-time state income tax credit of \$1,500 to qualifying businesses. The New Employee tax credit offers an additional state income tax credit of \$1,500 per new full-time employee per year for a period of five years. Unused credits may be carried forward up to 10 years.

### **Ports Tax Credit Program**

The Ports Tax Credit program includes an investor infrastructure credit for 100% of capital costs incurred by private investment of \$5 MM or more at a Louisiana public port. The credit is taken at 5% a year over 20 years. It also includes an export-import cargo credit of \$5 per ton for container and break bulk cargo that emanates from or is destined to a Louisiana manufacturer, warehouse, distributor, or other value added enterprise that is destined to or emanates from

an international destination. Cargo must pass through a Louisiana public port to qualify for the credit.

### **Corporate Tax Apportionment Program**

Louisiana has historically only allowed manufacturers and merchandisers to qualify for single-sales factor apportionment, which bases corporate income and franchise taxes solely on the portion of sales that occur within the state. However, states across the country are increasingly offering that opportunity to other companies. This program extends the single-sales factor apportionment to highly competitive business development projects in other target sectors including corporate headquarters, logistics/warehousing, data centers, clean technology, destination healthcare, R&D operations, renewable energy, and digital media and software development. This option will only be offered for projects that yield a positive return on investment for the state.

### **Corporate Headquarters Relocation Program**

This program enables Louisiana Economic Development to provide a 25% rebate, spread over five years, on relocation expenses for headquarters that create at least 25 high-paying jobs. The program assists in efforts to attract some of the most competitive and most attractive of all projects in the site-selection world: corporate headquarters. Primary location of a company comes with significant economic output, well-compensated professional workforce and prestige. This option will only be offered for projects that yield a positive return on investment for the state.

### **Competitive Projects Tax Exemption Program**

This program enables Louisiana Economic Development to provide a 10-year property tax abatement in selected parishes on qualifying capital investments of at least \$25 million in targeted non-manufacturing industry sectors. The abatement is for the ad valorem taxes in excess of \$10 million or 10% of the fair market value of the property, whichever is greater.

### **Competitive Projects Payroll Incentive Program**

Created in 2012, the Competitive Projects Payroll Incentive Program enables Louisiana Economic Development to offer an incentive up to 15% of payroll to secure new jobs in target sectors for highly competitive projects. Additionally, the program provides either a 4% sales/use tax rebate on capital expenditures or a project facility expense rebate equal to 1.5% of qualified capital expenditures. This program is only offered for projects that yield a positive return on investment for the state, and the level of the rebate is determined by this return.

### **Louisiana Seed Capital Program**

The Louisiana Economic Development Corporation (LEDC) Louisiana Seed Capital program was established to promote economic development and encourage the formation of Louisiana-

based venture capital funds. The State of Louisiana was allocated \$13.1 million by the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) to invest in Louisiana businesses through LEDC's Seed Capital and Small Business Loan and Guaranty Programs. Specifically, the Seed Capital Program received \$5.1 million in funding. Investments made were based on the availability of funds.

LEDC does not make direct investments into any small business. LEDC follows an indirect, fund of funds, investment policy whereby it invests in venture capital firms which subsequently make direct investments into Louisiana-based small businesses. The general partners of the venture capital firms, or fund managers, are private sector investors who pool funds from a number of investors known as limited partners. These firms also identify and invest in promising businesses, managing the investment until an exit from the investment is achieved. In this manner, LEDC is able to leverage public funds with private capital to spur economic growth through the creation and cultivation of Louisiana-based businesses. The funds are matched on one state dollar for each one and a half private capital dollars, not to exceed a state investment of \$2 million.

### **Mega-Project Development Fund**

The Mega-Project Development Fund is used for immediate funding of all or a portion of economic development mega-projects to secure the creation or retention of jobs. The Fund can be used for projects that provide either 500 new direct jobs to the state or a minimum initial investment of \$500 million and that generate a substantial return on the investment (ROI) by the state as measured by projected tax revenues. The ROI assessment is performed based on industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections. The Fund can also be used for projects for a military or federal installation which is important to the Louisiana economy and that may be subject to base realignment and closure.