

2016 ANNUAL PROGRAM & INCENTIVES PERFORMANCE REPORT



617 N 3RD ST, BATON ROUGE, LA 70802 | 800.450.8115

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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:

1. Strategically improve state economic competitiveness
2. Engage with local partners to enhance community competitiveness
3. Forge partnerships to enhance regional economic development assets
4. Expand and retain in-state businesses
5. Execute a strong business recruitment program
6. Cultivate small business, innovation, and entrepreneurship
7. Enhance workforce development solutions
8. Promote Louisiana's robust business advantages
9. Attract foreign direct investment and grow international trade

For each business incentive and assistance program, a brief description of the program's objective and calendar year 2016 performance information are included. The performance information highlights 2016 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 Centers (LSBDC Network) provide 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 assessment and counseling, nominally priced training, no-cost business strategy, marketing, loan packaging, and other business information resources and services. The program serves traditionally underserved populations such as minorities, women and veterans.

Businesses Receiving Counseling by SBDCs:	2,859
Individuals Trained by SBDCs:	5,338
Business Starts by SBDC Clients:	173
Anticipated Jobs Created by SBDC Clients:	596
Loans Received by Small Businesses Assisted at SBDCs (\$million):	40.3

State Trade Expansion Program

The Louisiana State Trade Expansion (STEP) program's mission is to increase the number of small business exporters and increase their export sales. The program is funded by the federal Small Business Administration (SBA). For the 2016-2017 grant cycle, SBA awarded Louisiana Economic Development a grant in the amount of \$160,000 for the purpose of helping eligible small businesses increase export related sales. The program offers travel expense reimbursements of up to 75 % for companies new to exporting, and up to 50 % for market expansion companies for total assistance of up to \$2,500 per company for attending an approved show. LED administers this program through the SBDC network.

Number of Trade Event Participations:	3
Number of New to Export Clients:	2
Number of Export Expansion Clients:	5
Total Grant Awards (\$):	5,582
Cumulative Projected Potential Sales (\$million):	12.1

Small and Emerging Business Development Program

LED's Small and Emerging Business Development (SEBD) Program provides the managerial and technical assistance training needed to grow and sustain a small business. A business must be certified through the SEBD program to obtain these services, offered by SBDCs, 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, and legal and industry-specific assistance. SEBDs provide a free needs assessment and assistance with accessing other program benefits. 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. Certification is effective for up to 10 years or until the company no longer meets the eligibility requirements.

Small Businesses Certified:	624
TAs Provided to Certified Businesses:	260

Small Business Bonding Assistance Program

The Bonding Assistance Program is available for certified Small and Emerging Businesses access to quality bid, payment and performance bonds at reasonable rates from surety companies when bonding capacity is needed on public or private jobs. In the program, Sureties perform all underwriting and offer competitive rates. It offers 25 % of contract price or \$100,000 (whichever is less) in bond guarantee to the Surety. In this way, the bond guarantee mitigates some risk to the Surety Company, leading to a positive underwriting decision.

New Projects:	3
Total Bond Guarantees Provided (\$million):	0.2
Value of Projects Guaranteed (\$million):	1.3

Small Entrepreneurship Program and Veteran’s Initiative

The Small Entrepreneurship Program (Hudson Initiative) provides Louisiana small businesses meeting the criteria of small entrepreneurs 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.

- The business and contact information is accessible to State procurement officials and prime contractors looking for subcontractors.
- State agencies are encouraged to get quotes from and use qualified, certified companies whenever possible.
- For small purchases of less than \$15,000, State agencies can waive the requirement of getting additional quotes if a certified company submits a quote that is reasonable.
- 10% of the total evaluation points can be added to a bid on a Request for Proposal (RFP).
- Prime contractors who use certified businesses as subcontractors on a bid for an RFP are also eligible to receive additional percentage points on their bid.

Small Entrepreneurships Certified:	1,184
Veteran Owned Businesses Certified:	252
Service-Connected Disabled Veteran Owned Businesses Certified:	79

Small Business Loan and Guaranty Program

The Small Business Loan program facilitates capital accessibility for small businesses by providing loan guarantees to banks and other small business lenders in association with the federal State Small Business Credit Initiative (SSBCI). The program's purpose is to provide financial assistance, which will help with the development, expansion and retention of Louisiana's small businesses. The program is administered by LED through the Louisiana Economic Development Corporation (LEDC). Guarantees may range up to 75 % of the loan amount, from \$5,000 and not to exceed a maximum of \$1.5 million, and guarantee fees may be waived based on risk.

New Projects:	8
Total Bank Loans to Businesses (\$million):	4.2
Anticipated New Direct Jobs:	136
Anticipated Retained Jobs:	96

CEO Roundtables Program

CEO Roundtables are peer groups that give executives the opportunity to discuss business practices and management strategies with peers who deal with similar growth challenges. CEO Roundtables bring together groups of 15 to 18 key decision makers from Louisiana-based small businesses 10 times over the course of a year for collaborative, growth-oriented roundtable sessions that support a trusting environment in which CEOs can safely explore business and personal issues with the guidance of experienced facilitators. Participation in the roundtables provides access to numerous benefits, including:

- Peer-to-peer learning through discussion, interaction and the sharing of experiences that allow participants to learn from each other's achievements and mistakes.
- Support through highly qualified facilitators, expert guest speakers and connection to various small business resources.

Eligible companies include Louisiana-based businesses that are past the startup phase, have not yet reached maturity, but is poised for growth. These are typically second-stage growth companies with annual revenues of \$600,000 to \$50,000,000 that have between five and 99 employees, and have demonstrated the desire, capacity and ability to grow.

Number of Graduate Companies: 38

Economic Gardening Initiative

Economic Gardening is a market research program that provides virtual access to information tailored to a company's specific needs. In partnership with the Edward Lowe Foundation, accepted companies are provided up to 36 hours of secondary market research focused on strategic growth issues. The LED Economic Gardening Initiative provides Louisiana-based small businesses with accelerated technical assistance and research, including:

- Review of core strategies, including threats and opportunities, business strategy and niche markets.
- Business development opportunities through market research and qualified sales leads.
- Improved internet presence by increasing a company's visibility and credibility within the market, and advice on how to best use technology to connect with customers.

Eligible companies include Louisiana-based businesses that are past the startup phase, have not yet reached maturity, but is poised for growth. These are typically second-stage growth companies with annual revenues of \$600,000 to \$50,000,000 that have between five and 99 employees, and have demonstrated the desire, capacity and ability to grow.

Number of Economic Gardening Engagements: 48

Louisiana Contractors Accreditation Institute

The Louisiana Contractors Accreditation Institute, a partnership between Louisiana Economic Development, Louisiana Community & Technical College System and the Louisiana State Licensing Board for Contractors offers small and emerging construction businesses critical information about construction management and how to prepare for the General Contractors State Licensing Exam. Topics covered are derived from the National Association of State Contractors Licensing Agencies' Contractors Guide to Business, Law and Project Management.

- Six-week course, with two-hour sessions twice a week
- Taught by industry leaders
- Offered via interactive distance learning to multiple locations throughout the State
- Topics covered include, but are not limited to:
 - Bid process
 - Contract management
 - Estimating
 - Equipment management
 - Scheduling
 - Occupational safety
 - Risk management
 - Financial and business management
 - Bonding and access to capital
 - Certifications and available resources
 - Entrepreneurship training
 - Classes may also include additional information such as working in the energy sector or with coastal restoration

The Institute is open to all who have the intent to start or currently have an established construction based Louisiana business. This program was started at the end of CY 2016.

Number of LCAI Courses Offered:	1
Number of Business Owners Trained:	243

Quality Jobs Program

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 rules were changed slightly effective April 1, 2016. The program provides a cash rebate to companies that create well-paid jobs and promote economic development. The program provides up to a 6 % cash rebate on 80 % of annual gross payroll for new, direct jobs for an initial five-year term with an option for a five-year renewal; and either a state sales/use tax rebate on capital expenditures or a 1.5 % project facility expense rebate on the total capital investment, excluding tax exempted items. Act 126 of the 2015 Regular Legislative Session included temporary provisions to the program for projects filing advance notices on or after July 1, 2015.

Projects with advance notices filed on or after July 1, 2015, will be approved for an annual payroll rebate payment at a rate of 5% or 6% (as applicable) multiplied by 80% of eligible payroll. Act 126 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018. Payroll rebates approved on and after July 1, 2018, will be calculated on 100% of payroll; however, annual payroll rebate claims that are due before July 1, 2018, but not timely filed, are subject to reduction.

New Projects:	37
Anticipated New Direct Jobs:	3,596
Anticipated Construction Jobs:	1,938
Anticipated Associated Capital Investment (\$million):	1,303.2

Enterprise Zone Program

The Enterprise Zone (EZ) program is designed to encourage businesses to locate and/or expand existing operations in economically distressed areas, and to create a minimum of five full-time jobs filled by residents living in or near economically distressed areas. The program rules were changed effective April 1, 2016, in order to bring the rules in compliance with program statute and procedures. The program provides Louisiana income and franchise tax credits to a business hiring at least 50% 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 either a \$3,500 or a \$1,000 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. The capital expenditure credit or rebate is capped at \$100,000 per new job. Act 423 of the 2014 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. Acts 114 & 126 of the 2015 Regular Legislative Session disallowed businesses with a NAICS code of 44, 45, or 722 from participating in the program unless it filed an advance notification prior to July 1, 2015. However, if such an eligible business did not enter into an EZ contract prior to July 1, 2015, it cannot claim EZ incentives until July 1, 2016. 2016 legislation disallowed businesses with NAICS of 5613 or 721 from participating in the program unless their advance notification was filed prior to April 1, 2016.

New Projects:	81
Anticipated New Direct Jobs:	1,923
Anticipated Construction Jobs:	6,010
Anticipated Associated Capital Investment (\$million):	2,085.0

Restoration Tax Abatement Program

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:	35
Anticipated New Direct Jobs:	539
Anticipated Construction Jobs:	1,786
Anticipated Associated Capital Investment (\$million):	130.2

Industrial Tax Exemption Program

The Industrial Tax Exemption (ITE) program was created under Article 7, Section 21(F) of the Louisiana Constitution in the 1940's to encourage capital investment at new or existing manufacturing facilities. The program historically provided for a local property tax abatement for up to 10 years on a manufacturer's new investment and annual capitalized additions. Executive Order JBE2016-26, effective June 24, 2016, and amended by JBE2016-73, changed several aspects of the program specifically to give local governing authorities a voice in the abatement approval process. Based on best practices in other states, the changes include reducing the maximum abatement term to 8 years, requiring job creation, and requiring local approval for any abatement. The Order made the following specific changes, requisite for gubernatorial approval:

- Local governments (parish governing boards, municipal governing boards, school boards and sheriffs) must sign off on the level of local tax exemption that is acceptable to their governing boards for ITE projects in their jurisdictions.
- All contracts must be accompanied by a Cooperative Endeavor Agreement (CEA) outlining a job creation or job retention component – and terms by which the manufacturing investor must abide – in order to retain the property tax exemption for the initial period of up to 5 years and a potential renewal period of up to 3 years.

New Projects:	610
Anticipated New Direct Jobs:	3,719
Anticipated Construction Jobs:	34,073
Anticipated Associated Capital Investment (\$billion):	25.6

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. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The statewide cap was reduced to \$7.2 million annually and the state tax credits were reduced to 3.6% of qualified expensed over a five-year period. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

New Projects:	2
Amount of Tax Incentives Awarded (\$million):	2.1
Anticipated New Direct Jobs:	80
Anticipated Retained Jobs:	430
Anticipated Associated Capital Investment (\$million):	141
Anticipated New Payroll (\$million):	4.3
Anticipated Retained Payroll (\$million):	25.6

Motion Picture Investor Tax Credit Program

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 10% tax credit. Act 134 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. A

cap was implemented to limit all claims to \$180 million annually and a per-project cap of \$30 million annually (set to expire on June 30, 2018). Within those caps, the per-person payroll on any project is capped at \$3 million. The tax credit for payroll expenditures for Louisiana residents the state tax credit rate was increased from 5% to 10%. State-certified productions based upon a screenplay which meet certain Louisiana ownership criteria may be eligible for an additional 15% credit of base investment.

Number of applications received:	91
Number of applications receiving final certification:*	102
Certified spending in the state (\$million):	893.1
Amount of tax credits certified (\$million):	283.7

*May include applications received in other reporting periods and may not include some applications received in 2016.

Digital Interactive Media and Software Tax Credit Program

The Digital Interactive Media and Software Tax Credit program is designed to encourage the development of digital interactive products in the state and to support a highly skilled, creative, technology-driven workforce. It targets gaming, simulation training, web applications and software development. The program provides a tax credit of up to 25% of qualified production expenditures for state-certified digital interactive productions in Louisiana and up to 35% tax credit for payroll expenditures for Louisiana residents. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The tax credit for qualified production expenditures was reduced to 18% and the tax credit for payroll expenditures was reduced to 25.2%. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

Number of applications received:	37
Number of applications receiving final certification:*	72
Certified spending in the state (\$million):	13.1
Amount of tax credits certified (\$million):	4.4

*May include applications received in other reporting periods and may not include some applications received in 2016.

Sound Recording Investor Tax Credit Program

The Sound Recording Investor Tax Credit program encourages investment in the recording of music 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. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The refundable tax credit was reduced to 18% and the program cap was reduced to \$2.16 million annually. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

Number of applications received:	8
Number of applications receiving final certification:*	11
Certified spending in the state (\$million):	0.6
Amount of tax credits certified (\$million):	0.2

*May include applications received in other reporting periods and may not include some applications received in 2016.

Musical and Theatrical Production Tax Credit Program

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 one-time 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. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015.

- For projects initially certified on or after 7/1/15:
 - The tax credit rate is reduced to 7.2% for a total base investment greater than \$100,000 and less than \$300,000; 14.4% for a total base investment greater than \$300,000 and less than \$1 million; and 18% for a total base investment greater than \$1 million.
- For higher education infrastructure projects initially certified on or after 7/1/15:
 - The per-project cap is reduced to \$7.2 million.
 - The aggregate higher education infrastructure cap is reduced to \$43.2 million.
- For infrastructure projects and productions initially certified on or after 7/1/15:
 - The Louisiana payroll credit rate is reduced to 7.2%.
- For productions initially certified on or after 7/1/15:
 - The student payroll credit rate is reduced to .072%.

Number of applications received:	9
Number of applications receiving final certification:*	2
Certified spending in the state (\$million):	6.1
Amount of tax credits certified (\$million):	1.6

*May include applications received in other reporting periods and may not include some applications received in 2016.

Research & Development Tax Credit Program

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. Act 133 of the 2015 Regular Legislative Session made any credits claimed under this program non-refundable.

Credits allowed for expenditures made in 2009 and thereafter:

- 8% 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.
- 20% 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.
- 40% 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.
- 25% 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:	66
Certified R&D spending in the state (\$million):	157.1
Total Credits Certified (\$million):	37.6

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 40% of the investment amount and 6% of gross payroll for all new jobs created. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The investment tax credit was reduced to 28.8% and gross payroll credit was reduced to 4.32%. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

New Projects:	2
Total Credits Certified (\$million):	0.02
Approved Commercial Costs (\$million):	0.06

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. Act 125

of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The tax credit was reduced to 25.2% and caps were revised. The program annual cap was reduced to \$3.6 million, and a cap was added for investors. An investor may be issued credits on investment of up to \$720,000 per business per calendar year and \$1.44 million total per business. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

Louisiana Businesses Receiving Angel Funding:	10
Amount of Angel Funding (\$million):	5.9
Amount of Tax Credits Approved (\$millions):	1.5
Amount of Credits Available for Claiming (\$millions)*:	4.5
Anticipated Retained Jobs:	34
Anticipated New Jobs:	17
Anticipated Payroll (\$million):	0.8
Anticipated Annual Gross Revenues (\$million):	1.0

*Includes a rollover amount from previous years.

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.

New Projects*:	7
State Investment (\$million):	2.4
Funds Leveraged (\$million):	1.6

*Represents new draws from projects approved in previous years.

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 every year since 2010. 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:	13
Employees Trained:*	1,879
Anticipated New Direct Jobs:	1,703
Anticipated Retained Jobs:	2,933
Anticipated Associated Capital Investment (\$million):	5,065.9

Economic Development Award Program/Economic Development Loan Program

The Economic Development Award Program (EDAP) is designed to assist in the development of publicly owned infrastructure for industrial or business development projects that promote targeted industry economic development and that require state assistance for basic infrastructure development. The program provides a minimum of \$50,000 to public or quasi-public state entities or political subdivisions for developing publicly owned infrastructure to advance industrial or business development projects that create or maintain at least 10 jobs. The related Economic Development Loan (EDLoP) program assists in the financing or loan funding of privately-owned property and improvements, including 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. The programs are managed such that projects utilizing the programs generate a positive return on investment (ROI) as measured by projected tax revenues. Prior to utilizing the programs, 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:	4
Award Amount (\$million):	4.7
Anticipated Retained Jobs:	2,445
Anticipated New Direct Jobs:	470
Anticipated Total Capital Investment (\$million):	4,013.7
Anticipated Payroll Associated (\$million):	34

EXISTING PROGRAMS WITH NO NEW ACTIVITY IN 2016

The following existing programs had no new activity in 2016, only renewals or continuations of commitments from prior years.

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. Act 126 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The payroll credit was reduced to 12% and project facility rebate was reduced to 1.2% of qualified capital expenditure. Act 126 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

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.

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.

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.

Industrial Tax Equalization Program

The Industrial 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. Contracts are for an initial 5 year period and can be renewed for up to five year increments, at the discretion of the Commerce & Industry Board

Industry Assistance (Exemptions for Manufacturers) 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.

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.

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.

Ports of Louisiana 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. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the

program that became effective July 1, 2015. The private investment credit was reduced to 72% of total capital costs. The credit able to be taken in any given year was reduced to \$4.5 million and the cargo credit was reduced to \$3.60 per ton. Annual caps were placed on the program at \$4.5 million, with a per-project cap of \$1.8 million. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

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.

University Research and Development Parks

The purpose of these tax exemption contracts is to encourage the development of university biomedical research and development parks. The Board of Commerce and Industry, with the approval of the governor and the Joint Legislative Committee, can grant tax exemption contracts for university research and development parks as follows:

- Corporation franchise tax exemptions;
- Corporation income tax exemptions;
- Exemptions from any other taxes imposed by the state;
- Rebates of sales and use taxes on machinery, equipment, materials, and building supplies; and
- Rebates of sales and use taxes on any other goods and services.

The total annual amount of the state exemptions may not exceed 30 % of the liability for corporate franchise, income, and state sales and use taxes of the business for the previous fiscal year. The total annual sales tax rebate amount for any fiscal year may not exceed the sales tax liability for the previous fiscal year.

This exemption contract may be granted for a period not to exceed five years and renewed for periods of up to five additional years, provided that the total number of years of the exemption does not exceed ten years.

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.

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.