12 months of MOMENTUM

2009

(U.S. Air Force Global Strike Command lands in Louisiana)

(State incentivizes modernization of existing business facilities)

(Prominent specialty chemicals manufacturer expands in Louisiana)

(State lands major auto assembly facility)

(State rolls out innovative workforce solutions program)

(Fortune 500 telecom headquarters expansion)

(First-of-its-kind food processing facility to be constructed)

(Major pharmaceutical manufacturer announces expansion)

(And we’re just getting started)

LA FILM INDUSTRY ON A ROLL | FORTUNE 500 HQ EXPANSION | LA TECH ADVANCES BIOFUEL RESEARCH
For the second consecutive year, Louisiana’s economy outperformed the South and the nation. Unemployment rates here remained well below the South and the U.S., and Louisiana attracted about 25 percent more new jobs than in 2008.

Our cover story highlights Louisiana’s economic successes in 2009. For example, we achieved our highest ever ranking in Forbes’ “Best States for Business,” and Southern Business & Development named Louisiana “Co-state of the Year” for having more business development wins per capita than any other Southern state.

Louisiana’s recent trend of attracting corporate headquarters jobs continued, as Albemarle Corp. completed relocating its Fortune 1000 headquarters to Louisiana, CenturyLink established Louisiana’s third Fortune 500 headquarters, and Superior Energy Services grew to become our sixth Fortune 1000 headquarters.

Louisiana attracted a variety of exciting projects, such as the 1,000-job U.S. Air Force Global Strike Command, a 500-job ConAgra processing facility and a significant expansion of Dr. Reddy’s Laboratories, an emerging global pharmaceutical company.

Despite the national recession, our state remained focused on the future – reducing taxes and strengthening workforce development programs while attracting $2.5 billion in capital investment and 21,000 new jobs.

This issue features a dynamic new leader in the New Orleans region as well as an insider look at how researchers at Louisiana Tech University are transferring their findings in nanotechnology from the laboratory to the marketplace.

Thank you for your interest in Louisiana – a new frontier for business opportunity.

Best regards,
Stephen Moret, Secretary
Louisiana Economic Development
Louisiana’s Economy in Q4 2009

Compared to the South and U.S. overall, Louisiana closed 2009 with another strong quarter for economic development. The state continued to post job creation, unemployment, housing and banking numbers that compare favorably to the rest of the South and the nation.

In the fourth quarter of 2009, Louisiana secured business development wins that will result in 858 new jobs, 2,389 retained jobs and $161 million in capital investment for the state.

Louisiana’s economic performance also continued to reverse the state’s history of out-migration. The U.S. Census Bureau determined that Louisiana experienced its third straight year of net population in-migration after more than 25 consecutive years of out-migration. Approximately 18,000 more people moved to Louisiana from other states than out of Louisiana from July 2008 to July 2009. Over the same time period, Louisiana’s population increased by 0.9 percent, or 40,600 people, the nation’s 21st-fastest growth rate.

In addition, 2009 was one of Louisiana’s most successful years on record for economic development with announced projects that will collectively result in more than 21,000 new jobs, approximately $2.5 billion in capital investment and $53 million in new, annual state tax revenues. Business development wins in the Northeast Region alone will create roughly half of those new jobs.
Employment
In the fourth quarter of 2009, Louisiana’s unemployment rate (7.5 percent) was the third lowest in the South and the 14th lowest in the nation. In fact, Louisiana’s unemployment rate has remained lower than the South (9.6 percent in December) and the U.S. (10 percent in December) every month since the beginning of the national recession.

All eight of Louisiana’s metropolitan areas currently place among the 100 MSAs in the nation with the lowest unemployment rates.

Several areas of the state experienced low unemployment at the end of the quarter. The Bayou Region had the lowest unemployment rate of 6.3 percent, and the Northwest Region saw the smallest increase in the unemployment rate over the year compared to the U.S. (0.9 percentage points versus 2.6 percentage points). In addition, all eight of Louisiana’s metropolitan areas currently place among the 100 MSAs in the nation with the lowest unemployment rates: Houma (13th), Lafayette (27th), and New Orleans and Alexandria (60th).

Louisiana’s employment levels have held up significantly better than the rest of the nation since the beginning of the recession. The state’s non-farm employment decreased by 1.5 percent from January 2008 to December 2009, which is less than any other Southern state, and much less than the Southern average (-4.6 percent) and the U.S. average (-5.2 percent).

Housing
Total housing permits in Louisiana increased over the year (21 percent) outpacing both the South (19 percent) and the U.S. (19 percent). More than 900 permits were authorized statewide in December with over-the-quarter increases occurring in the Bayou Region (533 percent), Capital Region (99 percent) and Central Region (60 percent). Single-family permits in the Acadiana Region rose by 39 percent over the year, and multifamily construction permits increased by 50 percent in the Southeast Region.

The outlook for local real estate markets continues to remain positive. PMI’s Market Risk Index for the third quarter of 2009, the latest available data, places six of Louisiana’s eight MSAs in the minimal-to-low-risk category, while 58 percent of the nation’s MSAs have elevated or high risk.

According to Local Market Monitor’s fourth quarter forecast, New Orleans and Baton Rouge are predicted to be two of the best-performing housing markets (with population of 600,000 or more) in the U.S. over the next 12 months. Local Market Monitor also placed Lake Charles in the top 10 best-performing markets with population of 600,000 or less.

Banking
Louisiana’s financial sector continued its strong performance according to the latest data from the FDIC. Louisiana’s 158 banks and thrifts reported a 14 percent increase in net loans and leases since the beginning of the recession (end of 2007 to September 2009), in contrast to the overall decline at the national level. Throughout this period, Louisiana also outperformed the nation in asset growth (13.6 percent versus 1.6 percent), deposit growth (12.9 percent versus 8.1 percent) and total equity growth (21.5 percent versus 7.4 percent).

Portfolio.com ranked Louisiana second best in how states are faring in the recession.

Rankings
For the second straight year, Louisiana continued to increase in national economic and business climate rankings.

For example, in Gallup’s 2009 Job Creation Index, Louisiana placed third (tied with two other states) among all 50 states and the District of Columbia. Moody’s Economy.com recognized Louisiana as one of only 11 states it says are already recovering from the recession, and Portfolio.com ranked Louisiana second best in an analysis of how states are faring in the recession.

Louisiana jumped five spots in Forbes’ ranking of the “Best States for Business” to its highest rank ever, and the state ranked eighth best in the country for its growth prospects.

Also, in December 2009, the Centers for Disease Control and Prevention found that Louisiana is the nation’s happiest state based on a national survey it administered over the last four years.

The Year Ahead
For 2010, Moody’s projects that Louisiana will once again perform better than the South and the U.S., in terms of unemployment and employment. Moody’s also projects that in 2010 Louisiana will experience the largest single-year expansion in gross state product since 2004 at 3.55 percent.

To build upon 2009’s success, and to maintain the state’s momentum, Louisiana must continue to strengthen its economic competitiveness by aggressively pursuing business development and investment opportunities that diversify the state’s economy.
Since opening in New Orleans in 2009, the Intellectual Property, or IP, building has drawn a collection of entrepreneurs who value their ability to collaborate in the hallways as much as the opportunity to expand their businesses.

The 85,000-square-foot structure in the city’s Warehouse District is known as the IP, which is a literal reference to the bricks and mortar as well as a figurative description of the tenants, who all work in creative and knowledge-based industries.

“The idea for the IP grew from a need to serve technical and digital companies in the region and help them support each other,” said Michael Hecht, CEO of Greater New Orleans Inc. “We needed to create something that could become a physical and symbolic manifestation of the digital media revolution in the New Orleans region.”

From its architectural design to its shared data center, the IP fosters collaboration, community and creativity. Tenants can hold meetings in a shared conference room or in a lounge equipped with big screen televisions. They can relieve stress in the workout room, and in the near future, they will have access to an on-site restaurant.

All of these benefits create a work environment that is a hallmark of the innovative industries, and so far, the IP has led to other practical advantages for its tenants as well. For example, when Tom Fischmann, CEO of Body Evolution, needed graphic design and production work, he found the right people through his IP contacts.

“In the creative industry, if you want to hire top people and keep them, you want to create an atmosphere they want to be in,” said Matt Wisdom, founder of TurboSquid\textsuperscript{TM}, a company that buys and sells electronically created images used in feature films and television.

The nine tenants encompass a diverse industry base, including a software firm that specializes in medical staff scheduling, a nonprofit organization that supplies business resources to high-impact ventures, and a global provider of customized online travel and entertainment solutions.

There is also a demand for additional IP buildings throughout the region. Hecht described plans to establish another IP building in St. Tammany Parish with the same purpose of nurturing knowledge-based businesses and connecting their creative energies.

GNO Inc. officials have targeted several entrepreneurs to occupy the building and are sharing ideas with the building owner to create a physical space with the unique appeal for tenants working in creative fields.

“With the IP North we’re hoping to replicate the success of the New Orleans IP building for creative professionals who want to live on the North Shore and enjoy its lifestyle benefits,” Hecht said. “We’re attempting to seed that same sense of community in the River Region.”
9 companies say ‘YES’ to Louisiana

CENTURYLINK
350 new jobs (1,873 retained), $45,000 avg. salary, $117.9 million capital investment
Monroe-based CenturyTel and Kansas-based EMBARQ Corp. merged in 2009, forming the fourth-largest telecommunications company in the U.S., CenturyLink. Louisiana Economic Development provided incentives to successfully secure the new CenturyLink corporate headquarters in Lafayette, Louisiana, as well as a commitment by the company to add 350 new professional jobs over the next four years. CenturyLink will soon join Entergy and The Shaw Group on the list of Fortune 500 companies headquartered in Louisiana.

“Our growth opportunities across the nation and here in Louisiana represent an exciting future for our company and our employees. The state has stepped up to make Louisiana more business friendly, and we appreciate their efforts and the incentives being put forth today and in the years to come.”

GLEN F. POST III
CEO and President of CenturyLink

PIXEL MAGIC
40 new jobs
California’s Pixel Magic opened a new digital media studio in November 2009 at the Louisiana Immersive Technologies Enterprise’s business accelerator in Lafayette, La. With digital effects credits in films, such as “Marley & Me,” “Get Smart” and “Mr. & Mrs. Smith,” the company can take advantage of Louisiana’s recently strengthened film production and digital media incentives. Louisiana FastStart™, the state’s customized workforce solutions program, will help recruit and train employees to meet Pixel Magic’s needs.

“After reviewing opportunities in Canada, Louisiana, New Mexico and other states, we chose Louisiana because of its variety of locations and diverse environments, the growth of film production in the state and its industry-specific tax incentives.”

RAY SCALICE
Vice President and General Manager of Pixel Magic

DR. REDDY’S LABORATORIES LTD.
73 new jobs (161 retained), $37,000 avg. salary, $16.5 million capital investment
Dr. Reddy’s Laboratories, an emerging global pharmaceutical company, announced plans to expand its Shreveport, La., facility, which is the company’s largest producer of silver sulfadiazine cream and the second-largest prescription producer of ibuprofen for the North American market. The project could generate $7.3 million in new, state tax revenues and $5 million in new, local tax revenues over the next 10 years. Competing against national and international sites, Louisiana was selected for its quality workforce, competitive incentive package and customized workforce solutions program, Louisiana FastStart™.

“Our plans to expand the scope and scale of our Shreveport facility are driven by a combination of several factors — the strategic fit of the products and capabilities of the site with our corporate growth objectives, the work ethic of the people of North Louisiana, as well as the incentives put forth at both the state and local levels.”

AMIT PATEL
Senior Vice President and Head of North American Operations of Dr. Reddy’s Laboratories

INTERMOOR INC.
320 new jobs (250 retained), $60,000 avg. salary, $17.2 million capital investment
InterMoor Inc., an Acteon company, designs, supplies and deploys technically advanced mooring systems worldwide. The company announced plans to relocate and expand its existing Amelia, La., facility to a 24-acre site owned by the Port of Morgan City. Louisiana Economic Development estimates the expansion will generate more than $8 million in new, state tax revenues and nearly $7 million in new, local tax revenues in its first five full years of operation.

“InterMoor is looking forward to becoming a member of the Morgan City business community, and we appreciate the continued support from the Port Commission and other state agencies in working to make this facility a reality.”

TOM FULTON
President of InterMoor Inc.

ORION INSTRUMENTS
35 new jobs (70 retained), $40,000 avg. salary, $5 million capital investment
Orion Instruments, a subsidiary of Magnetrol International, announced plans to expand its processing-instrument manufacturing operations in Baton Rouge and construct a new facility with up to 60,000 square feet of space. The project will generate more than $4.1 million in new, state tax revenues and nearly $2.8 million in new, local tax revenues over a 15-year period. Orion is expected to use multiple LED programs, as well as a local Enterprise Zone incentive.

“Orion Instruments thanks the Baton Rouge Area Chamber, Mayor Holden, Secretary Moret and Gov. Jindal for their pursuit and commitment to support our expansion and retain our business in East Baton Rouge Parish and the state of Louisiana.”

DON SANDERS
General Manager of Orion Instruments
In 2008, Zagis USA committed to construct two major textile mills in Southwest Louisiana. The company recently announced the completion of its first state-of-the-art cotton spinning mill in Lacassine, La. Using advanced technology, the 128,000-square-foot facility will ship value-added Louisiana agricultural goods, rather than unprocessed raw material, for international consumption. When in full production, the mills could use up to 20 percent of Louisiana’s cotton crop to spin yarn, resulting in one of the lowest yarn production costs in the world.

“This could not have been achieved without the terrific support of the state of Louisiana at all levels. We are confident that it represents our first investment of many in this great state and its great workforce.”

DAN FEIBUS
CEO of Zagis USA

Northrop Grumman recently opened a new 20,000-square-foot facility in Slidell, La., combining the company’s Slidell office and Stennis Space Center operations. Between 2009 and 2018, the project is expected to generate nearly $1.7 million in new, state tax revenues and nearly $1.2 million in new, local tax revenues.

“The grand opening of Northrop Grumman’s Slidell campus not only represents a significant addition to the local business community, but also our commitment to bring cutting-edge innovation to the area. The capabilities available through this new facility, including Light Detection and Ranging, are at the forefront of the geospatial industry and are shaping the technology available now and in the future.”

JOHN OLESAK
Vice President of Integrated Intelligence of Northrop Grumman

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DAN FEIBUS
CEO of Zagis USA

A premier clothing store in Alexandria, La., since 1891, Caplan’s Inc. recently redefined its business model from primarily fashion merchandise to uniform and corporate identity clothing. To compete efficiently, Caplan’s turned to Louisiana’s Small and Emerging Business Development program, the Alexandria Metropolitan Foundation and the City of Alexandria for assistance to install a new accounting system. The upgrades to its inventory and point-of-sale controls and staff training allowed Caplan’s to remain a viable part of the community and retain critical jobs.

“Without the help of the SEBD program, we would not have been able to purchase the technological solutions required to do business in the 21st century. With LED’s assistance, we will grow and prosper for ourselves, our employees and our community.”

NORRINE B. CAPLAN
Secretary/Treasurer of Caplan’s Inc.

As a certified, women-owned business, Excelerant, formerly known as Training Source, helps companies sharpen their focus on the “people side of business.” The company was asked to develop the Executive Education Program for the University of Louisiana at Lafayette’s College of Business. To make the new service more accessible and relevant, Louisiana Economic Development’s Small and Emerging Business Development program, in partnership with the Lafayette Small Business Development Center, provided assistance for a redesign of Excelerant’s brand identity and executive-focused Web site.

“Having self-funded and created our business from scratch, the supplemental assistance provided by the SEBD has allowed us to accelerate the availability of the resources we bring to the table, which has resulted in increased stability and profits for our clients and their employees.”

ELISE BOUCHER
Managing Partner of Excelerant
Founder James Hayes Sr. built the company on his ability to complete complex welding projects other shops turned down, according to son James Hayes Jr., who assumed the helm with his brother Clifford in 1972.

“My father was well respected among his peers for being able to fabricate just about anything,” added Hayes.

The company’s client base has grown to include large corporations, such as Boise Cascade and Martco, and the regional utility, Cleco, for which it has manufactured substations.

In 2004, Hayes announced plans to double the size of its operation with a 40,000-square-foot expansion, believing the regional market was poised to grow.

“There wasn’t a large shop of this kind in the area, and I thought it was time,” said Hayes.

The decision proved sound.

Among the first visitors to the enlarged facility were representatives from Union Tank Car, the world’s largest railcar designer and producer. In 2005, Union Tank Car selected Central Louisiana as the site of its new $100 million production plant, and company officials wanted to know what Hayes could provide in support services.

In particular, they asked Hayes if he could improve the fabrication process for a piece of equipment called a “bottom reinforcement pad,” an important component in stabilizing the cylindrical railcars as they transport liquids around the country. Historically, the pads were fabricated in three separate pieces, then X-rayed to ensure correct welds. The process was time consuming and expensive, and company officials asked Hayes to create a machine that could stamp out each bottom reinforcement pad as a contiguous unit.

“I thought about it for 30 seconds, and I said, ‘Sure, we can do that,’” recalled Hayes. It took the next six months to design and build the machinery to produce the pads. Then the company began a steady stream of production.

The bottom reinforcement pads were well received, according to Hayes, and were produced at a fraction of the cost and turnaround time.

“We’ve gotten great feedback,” said Hayes. “They like us, and we like them.”

The symbiosis between the two companies has resulted in considerable expansion for Hayes Manufacturing. Prior to the partnership, the company saw an average of $8 million in annual sales. In 2008, that figure increased to $22 million. Sales also increased among Hayes’ other clients, helping the company create a total of 60 full-time equivalent positions.

“We have a real good future in Central Louisiana,” he said. “There’s a lot of room for growth.”

Hayes Manufacturing in Pineville, La., began as a small operation in 1954 with a reputation for detailed steel fabrication services. Since then, the company has become an important regional manufacturer because of its innovative and competitively priced equipment.
“Making the credits more competitive and permanent has been vital,” said Bob Bayham, executive vice president for The Celtic Group, which opened the state’s first sound stage in 2007 in Baton Rouge, La.

Ken Badish, who opened Bullet Films and two other Lafayette, La., film companies in 2008, has shot movies around the world.

“The state is developing its intellectual infrastructure, and it’s been a thrill to be a part of that,” Badish said.


“We’ve reversed the outward migration of people looking to work in the industry,” McConnell said. “The incentives are also bringing outsiders in, and what they find keeps them here.”

Louisiana’s film industry has expanded significantly every year since 2004, and a late-year surge in 2009 applications for its motion picture development incentive is expected to continue that trend in 2010.

“We are starting to see a homegrown industry of Louisiana-based companies making movies here,” said Sherrri McConnell, director of entertainment industry development for Louisiana Economic Development.

Louisiana ranks third nationally in motion picture production behind California and New York, according to Chris Stelly, LED’s director of film and television. As production increases, so does business for local production companies. In 2009, local companies produced 65 percent of the films shot in Louisiana, up from 35 percent in 2008.

A total of 63 films were produced in Louisiana in 2009, including major films such as Sony’s “Battle: Los Angeles,” Disney’s “Secretariat” and the original HBO series “Treme.”

The motion picture incentive has been modified to assure maximum economic impact to the state. A three-year infrastructure tax credit, for instance, spurred a string of new studios and other industry services.

Likewise, Louisiana’s incentives for digital media, sound recording and live performance recognize the convergence of film and other media, McConnell noted. “We’re attracting companies that serve the entire entertainment market,” she said.

The result has been Louisiana natives, such as Andre Champagne, returning home. The Napoleonville native worked in film in Los Angeles for seven years before returning to Louisiana to open Hollywood Trucks in 2007. His fleet expanded from seven trucks to 250 trucks in two years.

Louisiana’s nimble response to industry needs was evident in 2009, when lawmakers boosted the tax credit from 25 percent to 30 percent and made the incentive permanent. The change unleashed a flurry of program applications, which rose from 24 in the first half of 2009 to 81 in the last six months of the year. Total applications increased to 105 in 2009, up from 88 in 2008.

“Permanent film incentive spurs growth,” McConnell said. “We are starting to see a homegrown industry of Louisiana-based companies making movies here.”

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Despite the national recession, Louisiana had a great year economically. The state secured thousands of new jobs and billions in new investments, enjoyed a low unemployment rate and implemented several initiatives that will have a positive impact on the state – both immediate and long term. What’s more, several companies opened or moved operations here, and existing businesses chose to stay and expand. But here’s the best part: all indications point to continued momentum in 2010.
Louisiana fared **second best** among all 50 states and the District of Columbia during the recession.
What are people saying about Louisiana FastStart?

Gardner Denver on Louisiana FastStart: “The relocation of our operations has been progressing exceptionally well in part due to the training support provided by Louisiana’s FastStart program. We have begun to assemble a world-class team of folks focused on customer satisfaction in Monroe.”

– Barry L. Pennypacker, President and CEO of Gardner Denver

V-Vehicle Co. on Louisiana FastStart: “Because of things like the [Louisiana] FastStart program, we could identify and train people that will ultimately determine a large part of our success. It was, in the end, the conviction that Louisiana could provide this workforce that sealed the deal.”

– Frank Varasano, Founder and CEO of V-Vehicle Co.

Louisiana FastStart was cited by several companies, including the new American car company V-Vehicle Co., as the program that tipped the balance in Louisiana’s favor in tough site-selection competitions. The program also encouraged a variety of national companies in the state to maintain and expand operations. For example, after months of studying consolidation options, manufacturer Gardner Denver shifted its Sheboygan, Wis., Thomas Products division to Monroe, La., bringing 230 new jobs and preserving 70 jobs.

“The relocation of our operation has been progressing exceptionally well in part due to the training support provided by Louisiana’s FastStart program,” said Gardner Denver President and CEO Barry L. Pennypacker in an October conference call with Wall Street analysts. “We have begun to assemble a world-class team of folks focused on customer satisfaction in Monroe.”

Statistics show a majority of job creation and 100 percent of job loss will come from businesses already located within a given area. According to international consultants Blane, Canada Ltd., 76 percent of new jobs and capital investment in a particular locale comes from existing companies.

In response, BERG combined efforts with local and regional economic development allies to visit nearly 500 companies and secured a variety of significant retention wins.

To build upon initiatives that improve competitiveness, LED’s SEC Group is examining factors that have contributed to Louisiana’s past economic stagnation and will promote policies that foster a long-term competitive business climate. In 2009, the SEC Group’s priority was the Blue Ocean initiative, a strategy that revealed several high-growth sectors best suited for Louisiana. These sectors dovetail with existing assets and represent areas not yet cultivated by other states.

Citing effective fiscal management, both Fitch and Standard & Poor’s recently upgraded Louisiana’s bond rating, and Moody’s raised the state’s outlook from “stable” to “positive.”

Enhancing Competitiveness

Louisiana also launched several new initiatives in 2009 designed to improve state competitiveness.

The Louisiana Innovation Council was created to shape a statewide innovation agenda, including activities related to targeted research investments, technology commercialization, entrepreneurship services, venture capital and the development of new, high-growth industry segments. The council is identifying the next growth industries for Louisiana and developing a strategy to cultivate centers of research excellence.

The state also fostered modernization within its existing industry base to help the sector improve global competitiveness. Passed by the Legislature in 2009, the Retention and Modernization Act fosters innovation through refundable tax credits of 5 percent on related expenditures. The state also encouraged businesses to examine their positioning through the expanded Research and Development Tax Credit. The updated program provides double the incentive for small and emerging businesses engaging in R&D and was extended until 2014.

Small businesses were supported with a combined 30 percent funding increase for small business development centers, the Small and Emerging Business Development Program, and business incubators, increasing the number of businesses to benefit from these programs by almost 500.

While most new initiatives had statewide application, the Louisiana Development Ready Communities pilot program began preparing 12 Louisiana communities to effectively compete with out-of-state communities. The intensive six-month program provides strategies to help cities better attract good jobs and business investment.

Development Ready Communities Include:

- Vivian
- Arcadia
- Mansfield with Girard Cane
- Logansport and Stonewall
- Pineville
- DeRidder
- Crowley
- West Monroe
- Jena
- Zachary
- New Iberia
- Slidell
- Houma
- New Orleans
- Hammond
- Lakeview
- Houma
- Lake Charles
- Alexandria
- Baton Rouge
- Lafayette
- Shreveport
- Bossier City
- Gonzales
- Destrehan
- Vacherie
- Houma
- St. Martinville
- Opelousas
- Alexandria
- Bossier City
- Lake Charles
- Lafayette
- New Orleans
- Shreveport
- Hattiesburg
- Laurel
- Vicksburg
- Jackson

Small Business Development Centers Make Louisiana More Competitive in 2009

4,776 VISITORS

11 SMALL BUSINESS DEVELOPMENT CENTERS

220 NEW BUSINESSES

2,251 NEW JOBS

2,139 JOBS SAVED

$200,000,000 IN CAPITAL FORMATION

Louisiana FastStart was cited by V-Vehicle Co. as the program that tipped the balance in Louisiana’s favor to build its new car plant.
## Proof Positive

Throughout 2009, companies choosing Louisiana cited the state’s commitment to provide competitive, customized and creative solutions tailored to their needs. This helped the state emerge from the pack as a place committed to transforming its economy.

After an extensive nationwide search, V-Vehicle announced in June 2009 it had chosen Monroe as the site of its first automotive assembly facility. At a time when Detroit automakers required massive bailouts from the federal government, a handful of top business minds and venture capitalists teamed up to create V-Vehicle - a company with the potential to reshape the way cars are made and sold in the U.S. V-Vehicle is expected to create more than 1,400 permanent, direct jobs and more than $19.6 billion in new economic output for the state between now and 2024.

“It was the people of Louisiana, not just the leaders that we had met, and the conviction that because of incentives like the Louisiana FastStart program, we could identify and train people that will ultimately determine a large part of our success.”

The year also brought several significant business development wins in traditional and growth industries.

ConAgra Foods Lamb Weston Inc. announced plans to construct a $210 million environmentally friendly sweet potato processing facility near Delhi, La. “Gov. Bobby Jindal and LED have gone out of their way to make this plant possible,” said ConAgra Foods Lamb Weston Inc. President Jeff DeLapp.

Dr. Reddy’s Laboratories Ltd., an emerging global pharmaceutical company, announced the expansion of its Shreveport, La., operations. The project will create 73 jobs, retain 161 jobs and provide $6.5 million in capital investment, building upon the city’s strengths in health care, biotech and pharmaceutical manufacturing.

Louisiana was also successful in reversing the historical trend of corporate headquarters relocating to other states.

Monroe-based CenturyLink announced it would maintain its corporate headquarters in the state after merging with EMBARQ Corp., retaining 1,873 jobs and adding 350 jobs in the state over the next four years. It was the culmination of a support plan developed by LED officials to ensure CenturyLink’s long-term competitiveness in Louisiana.

Barksdale Air Force Base in Shreveport was selected as the home for the U.S. Air Force Global Strike Command, the new controlling entity of the U.S. Air Force’s nuclear bombers and missiles. The announcement means more than 1,000 new, direct jobs for the area and thousands of ancillary jobs.

And Bercen Inc., a specialty chemicals manufacturer, officially opened its new corporate headquarters and support offices in Denham Springs, La., after deciding to relocate from Cranston, R.I.

### Comprehensive governmental ethics reform implemented by Gov. Jindal and the Legislature catapulted Louisiana to 1st from 44th in the country in the Center for Public Integrity's legislative financial disclosure rankings.

### Selected Economic Wins in 2009

<table>
<thead>
<tr>
<th>Company</th>
<th>Jobs Created</th>
<th>Avg. Salary</th>
<th>Capital Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>V-VEHICLE CO.</td>
<td>1,400 new jobs</td>
<td>$40,000</td>
<td>$248 million</td>
</tr>
<tr>
<td>CONAGRA FOODS LAMB WESTON INC.</td>
<td>500 to 600 new jobs</td>
<td>$35,000</td>
<td>$211 million to $256 million</td>
</tr>
<tr>
<td>DR. REDDY’S LABORATORIES LTD.</td>
<td>73 new jobs (161 retained)</td>
<td>$37,000</td>
<td>$16.5 million</td>
</tr>
<tr>
<td>CENTURYLINK CORPORATE HQ</td>
<td>350 new jobs (1,873 retained)</td>
<td>$45,000</td>
<td>$117.9 million</td>
</tr>
<tr>
<td>U.S. AIR FORCE GLOBAL STRIKE COMMAND</td>
<td>1,000 new jobs</td>
<td>$107 million</td>
<td></td>
</tr>
<tr>
<td>BERCEN INC. HQ (opened 2009)</td>
<td>20 jobs</td>
<td>$90,000</td>
<td>$5 million</td>
</tr>
</tbody>
</table>
Louisiana is expected to continue attracting significant business investment in the year ahead. It will also maintain pursuit of targeted initiatives that increase state economic competitiveness, retain existing economic-driver firms, support small business development and cultivate new growth industries.

In 2010, LED’s Blue Ocean initiative will establish a major part of the state’s future economic agenda. It will identify narrowly defined growth industries that can succeed in Louisiana and implement action plans that cultivate future industry growth.

While economic indicators in the U.S. recently have shown signs of improvement, a robust national jobs recovery is still in development. Gov. Jindal, the Legislature and LED will continue working together with our state’s business community to ensure Louisiana again outperforms the South and the U.S. in 2010.

The Blue Ocean initiative is a strategic project designed to (a) identify the state’s best narrowly defined growth industries of the future (industries with significant growth potential in which no states have yet cemented a commanding leadership position); and (b) develop and execute action plans to cultivate each of these sectors.

Blue Ocean Initiative

- Specialty Health Care
  - Obesity/Diabetes Research and Treatment
  - Pharmaceutical Manufacturing
- Specialty Health Care
- Digital Media/Software Development
  - Video-game Development
  - Education IT
- Next Generation Automotive Manufacturing
  - Composites Manufacturing
  - Electric Vehicles
- Next Wave Oil & Gas
  - Ultra Deep-water Oil
  - Unconventional Natural Gas
  - Enhanced Oil Recovery
- Renewable and Energy Efficiency
  - Green Building/Manufacturing
  - Algae-based Energy Production
  - Nuclear Power Module Manufacturing
  - Hydropower

2010

High-growth Industry Targets
Finding alternative energy sources has become a focus of numerous research projects worldwide. But at Louisiana Tech University in Ruston, La., researchers have developed nanotechnology to enhance cellulosic ethanol as a sustainable and cost-effective biofuel.

The research positions Louisiana as an emerging leader in the development of ethanol derived from wood and grasses rather than corn and other grains. The process developed by chemical engineering professor James Palmer takes advantage of abundant Louisiana resources and a long growing season, which provides good growing conditions for grasses or crops planted as cellulosic ethanol feedstock. Louisiana is already home to Verenium Corp.’s cellulosic demonstration plant in Jennings, La., one of the first such facilities in the nation.

“Louisiana has the potential to lead in the use of cellulosic ethanol as one alternative to solving our energy crisis,” Palmer said.

The nanotechnology developed at Louisiana Tech allows expensive enzymes to be reused multiple times to convert cellulose into sugars, sharply reducing production costs. The process involves a “layer-by-layer” technique that binds enzymes with different electric charges. The resulting “immobilization” of the enzymes allows them to be used repeatedly in a variety of applications, including large commercial production.

Palmer’s work reflects the often-interdisciplinary nature of research on the Ruston campus, much of which holds promise in addressing environmental concerns and energy needs.

For instance, Louisiana Tech physical chemist Yuri Lvov, a world leader in the layer-by-layer process, collaborated with Palmer in the technology’s application to cellulosic ethanol production. Lvov’s own research includes development of a process to greatly increase the use of recycled pulp in paper manufacturing.

Projects developed at Louisiana Tech’s Institute for Micromanufacturing run the gamut from low-cost radiation technology to improved anti-cancer drugs. Other research involves an improved method of converting natural gas and biomass into diesel fuel.

Louisiana Tech has been effective in moving its research out of the laboratory and into the marketplace. The university’s success starts with undergraduate and graduate coursework that focuses on commercialization of research ventures and supporting university-based startup firms.

One university-based startup firm makes artificial blood cells that can serve as replacement blood. Another firm is developing sensors that “see” through the walls of underground pipes to determine the risk of sinkholes.

To build upon this recent success, Louisiana Tech will supplement its two existing business incubators with a new research park set to open in 2010.

“We feel we have a high level of innovation in taking technologies out of laboratories and finding commercial applications,” said Leslie Guice, vice president of research and development.

Richard Kordal, director of intellectual property, added, “Ultimately the goal of these discoveries is for this knowledge to be transferred to the public to benefit as many people as possible.”
Can you describe the business and economic climate in the Greater New Orleans region?

New Orleans and the region have experienced some fundamental shifts, and the area has become a place where outside ideas are much more welcome than before. What before was a culture of lineage is now a culture of talent. Hurricane Katrina made it clear the region needs to evolve or it’s not going to survive. The structural challenges exposed by Hurricane Katrina have moved people outside traditional comfort zones.

What are the economic challenges facing the region?

One of our biggest challenges is to give the region new credentials, to redefine the brand of Greater New Orleans in a broader and more accurate way and let people know this is an outstanding place for a company, as well as a family.

How will entrepreneurs shape New Orleans’ economy in the future?

We’re moving into the age of the creative professional who chooses a place to live first and a vocation second. In that regard, our region has a tremendous advantage because we are among the most attractive places to live.

Are there any new growth industries that have potential for the region?

Digital media is definitely one. The digital media tax credit has the potential to bring even more work to the state than the motion picture tax credit. The New Orleans region could very quickly rise to the top as a digital production location. For example, three leading digital media companies will begin expansions in New Orleans in the upcoming months. What’s nice about the digital work is it plays to our strengths, but is less affected by our challenges.

Do you see any comparison between New Orleans and other cities known for their innovation and entrepreneurs?

The energy in New Orleans today reminds me of the mid ’90s in San Francisco during the dot-com boom – there is an economic and cultural revolution under way.

We have the three Cs: culture, conditions and cash incentives. The culture is attractive to creative professionals who want to be part of this city. The cost of operating a business here is less expensive than other major markets. And the cash incentives are as deep as anywhere in the country. Overall, it makes a compelling business case for a CEO representing a high-growth business to want to locate here. My hope is that over the next two to three years New Orleans will be considered one of the great creative hubs of our country.

Michael Hecht

Michael Hecht is the president and CEO of Greater New Orleans Inc., which leads economic development for the 10-parish New Orleans region.
Live Performance Tax Credit the Nation’s First

As Louisiana’s entertainment industry continues to grow, state leaders are focusing their attention on new incentives that target the state’s live performance industry.

The Live Performance Tax Credit provides state tax credits of up to 25 percent of the cost of building theaters, renovating existing facilities or producing made-for-stage projects. The credit can also offset equipment transportation costs and provide transferable payroll credits for producers that employ Louisiana residents or have LED waiver.

Meanwhile, the New Orleans-produced musical “White Noise,” the first applicant to the production incentive, is headed for Broadway.

As Louisiana continues to expand its range of productions, the incentive will serve an integral role in sustaining the industry “The idea is to spur investment in infrastructure that allows young people to pursue creative careers here,” added Mann.

<table>
<thead>
<tr>
<th>Program Name</th>
<th>Benefit</th>
<th>Eligibility (not comprehensive)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprise Zone</td>
<td>Tax credit program provides a one-time $1.5 million tax credit for a new business, plus $25,000 per new job, and a 1% sales/use tax rebate on capital expenditures or an investment tax credit equal to 1% of qualifying expenses.</td>
<td>- Must have at least 50 full-time employees, with at least 50% of employees being Louisiana residents, and a minimum of $10 million in capital investments in Louisiana.</td>
</tr>
<tr>
<td>Quality Jobs</td>
<td>Cash rebate provides 5% or 6% rebate on annual payroll expenses for up to 30 years, and either a 1% sales/use tax reduction on capital expenditures or an investment tax credit equal to 1% of qualifying expenses.</td>
<td>- Must have at least 50 full-time employees, with at least 50% of employees being Louisiana residents, and a minimum of $10 million in capital investments in Louisiana.</td>
</tr>
<tr>
<td>Restoration Tax Abatement</td>
<td>Property tax abatement provides a 50% property tax abatement for up to 10 years on manufacturer’s qualifying capital investments.</td>
<td>- Must be located in a qualifying district and approved by local governing authority.</td>
</tr>
<tr>
<td>Industrial Tax Exemption</td>
<td>Property tax abatement provides a 50% property tax abatement for up to 30 years on manufacturer’s qualifying capital investments.</td>
<td>- Must be located in a qualifying district and approved by local governing authority.</td>
</tr>
<tr>
<td>Research &amp; Development Tax Credit</td>
<td>Tax credit program provides up to a 25% tax credit for Louisiana businesses on qualified expenditures for research and development activities in Louisiana.</td>
<td>- Must have a clear research and development strategy and a minimum of $1 million in qualifying expenditures.</td>
</tr>
<tr>
<td>Sound Recording Investor Tax Credit</td>
<td>Tax credit program provides a 25% refundable tax credit on qualified expenditures for sound recording productions.</td>
<td>- Must have a clear strategy for sound recording productions and a minimum of $500,000 in qualifying expenditures.</td>
</tr>
<tr>
<td>Digital Media Incentive</td>
<td>Tax credit program provides a 25% tax credit on qualified production expenditures for a 25% tax credit for Louisiana resident labor expenditures.</td>
<td>- Must be a digital interactive media production in Louisiana.</td>
</tr>
<tr>
<td>Motion Picture Investor Tax Credit</td>
<td>Tax credit program provides a 25% tax credit on qualified production expenditures for a 25% tax credit for Louisiana resident labor expenditures.</td>
<td>- Must be a digital interactive media production in Louisiana.</td>
</tr>
<tr>
<td>Live Performance Tax Credit</td>
<td>Tax credit program provides a tax credit of 10% on qualified production expenditures and an additional 1% tax credit for Louisiana resident labor expenditures.</td>
<td>- Must be a live performance production in Louisiana.</td>
</tr>
<tr>
<td>Louisiana FastStarts™</td>
<td>Workforce development program provides workforce recruitment, screening and training to new and expanding Louisiana companies at no cost.</td>
<td>- Must be certified by LED, a Louisiana resident and have fewer than 50 full-time employees.</td>
</tr>
<tr>
<td>Economic Development Award Program</td>
<td>Loan/grant program provides funding for publicly owned infrastructure in support of business development projects.</td>
<td>- Must be a Louisiana small business (as defined by SBA) and have a clear strategy for business development.</td>
</tr>
<tr>
<td>Technology Commercialization Credit and Jobs Program</td>
<td>Tax credit program provides 4% refundable tax credit on costs related to the commercialization of Louisiana technology and a 6% payroll rebate for the creation of new direct jobs.</td>
<td>- Must be a Louisiana small business (as defined by SBA) and have a clear strategy for technology commercialization.</td>
</tr>
<tr>
<td>Modernization Tax Credit</td>
<td>Tax credit program provides a 5% refundable state tax credit for manufacturers modernizing or upgrading existing facilities in Louisiana.</td>
<td>- Must improve overall facilities or specific unit’s efficiency by 20% or more or must be a Louisiana small business (as defined by SBA).</td>
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Special Incentives for Small Businesses

<table>
<thead>
<tr>
<th>Program Name</th>
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<th>Eligibility (not comprehensive)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small Business Loan Program</td>
<td>Loan assistance program provides up to 75% loan guarantee or state direct loan participation up to 40% for eligible state or local government entities.</td>
<td>- Must be a Louisiana small business (as defined by SBA) and have a clear strategy for business development.</td>
</tr>
<tr>
<td>Micro Loan Program</td>
<td>Loan assistance program provides up to 8% loan guarantee for small businesses.</td>
<td>- Must be a Louisiana small business (as defined by SBA) and have a clear strategy for business development.</td>
</tr>
<tr>
<td>Bonding Assistance Program</td>
<td>Loan assistance program provides up to 25% loan guarantee for small businesses.</td>
<td>- Must be a Louisiana small business (as defined by SBA) and have a clear strategy for business development.</td>
</tr>
<tr>
<td>Veteran Initiative</td>
<td>Veteran and/or veteran-owned disabled businesses and small businesses with greater potential for state procurement or public contract opportunities.</td>
<td>- Must be certified in Small and Emerging Business Development Program and have a clear strategy for business development.</td>
</tr>
<tr>
<td>Mentor Protégé Tax Credit</td>
<td>Tax credit program provides a 4% tax credit on up to $250,000 in new expenditures for participating large construction firms that provide technical assistance to small businesses.</td>
<td>- Must be certified in SBE or a registered state’s Small Business Development Program.</td>
</tr>
</tbody>
</table>

For more information on Louisiana’s incentives, call 225.342.5675.
Louisiana’s Economic Development

REGIONS & PARTNERS

Louisiana has an extensive network of economic development organizations and allies dedicated to helping our communities attract, grow and maintain business in our state.

1. Bayou Region
   - Assumption Chamber of Commerce
   - Chamber of Lafourche and the Bayou Region
   - Houma-Terrebonne Chamber of Commerce
   - Lafourche Parish Economic Development
   - South Central Industrial Association
   - St. Mary Chamber of Commerce
   - St. Mary Economic Development
   - St. Mary Industrial Group
   - Terrebonne Economic Development Authority
   - Thibodaux Chamber of Commerce

2. Southeast Region
   - Jefferson Parish Economic Development Commission
   - Plaquemines Association of Business & Industry
   - St. Bernard Parish Economic Development Foundation
   - St. Charles Parish Department of Economic Development & Tourism
   - St. James Parish Department of Economic Development
   - St. John the Baptist Parish Department of Economic Development
   - St. Tammany Economic Development Foundation
   - Tangipahoa Economic Development Foundation
   - Washington Economic Development Foundation

3. Capital Region
   - Ascension Economic Development Corporation
   - City of Baton Rouge/East Baton Rouge Parish
   - East Feliciana Parish Economic Development
   - Greater Pointe Coupee Chamber of Commerce
   - Brouillette Chamber of Commerce
   - Livingston Economic Development Council
   - St. Helena Parish Economic Development Committee
   - West Baton Rouge Chamber of Commerce
   - West Feliciana Parish Community Development Foundation

4. Acadiana Region
   - Crowley Chamber of Commerce
   - Greater Abbeville-Vermilion Chamber of Commerce
   - Iberia Parish Economic Development
   - Lafayette Economic Development Foundation
   - Lafayette Economic Development Authority
   - Louisiana Immersive Technologies Enterprise
   - St. Landry Parish Economic Industrial Development District
   - St. Martin Economic Development Authority

5. Southwest Region
   - Cheniere International Airport Authority
   - City of Lake Charles Planning and Economic Development Department
   - DeQuincy Chamber of Commerce
   - DeQuincy Economic Commission
   - Greater Beauregard Chamber of Commerce
   - Greater DeRidder Area Chamber of Commerce
   - Greater Jennings Chamber of Commerce
   - Jeff Davis Parish Office of Economic Development
   - Jennings Main Street
   - Kinder Louisiana Chamber of Commerce
   - Lake Charles Downtown Development Authority
   - Lake Charles Regional Airport
   - Orleans Area Chamber of Commerce
   - Sulphur Industrial Development Board
   - The Chamber/SWLA
   - The Port of Lake Charles
   - West Calcasieu Port, Harbor and Terminal District

6. Central Region
   - Alexandria Central Economic Development District
   - Alexandria/Pineville Convention and Visitors Bureau
   - Alexandria Regional Port Authority
   - Avoyelles Parish Port Commission
   - Celina Advantage Partnership
   - Central Louisiana Business Incubator
   - Central Louisiana Chamber of Commerce
   - Concordia Economic & Industrial Development Board
   - Concordia Parish Chamber of Commerce
   - England Economic and Industrial Development District
   - Greater Vernon Parish Economic Development
   - The Port of DeRidder
   - The Rapides Foundation
   - Winn Economic-Industrial District

7. Northeast Region
   - Bemis Industrial Development Corporation
   - Caldwell Parish Industrial Development Board
   - Franklin Economic Development Foundation
   - Jackson Parish Chamber of Commerce
   - Jackson Parish Economic Development
   - LA Delta Oil Inc.
   - Lake Providence Port Commission
   - Morehouse Economic Development Commission
   - Rayville Economic Development
   - Tom Bihn Revitalization Alliance
   - Union Parish Chamber of Commerce
   - West Carroll Parish Chamber of Commerce
   - West Monroe-West Ouachita Chamber of Commerce

8. Northwest Region
   - Acadiana/Bossier Parish Chamber of Commerce
   - Bossier Chamber of Commerce
   - Caldwell-Bossier Port Commission
   - City of Natchitoches Economic Development Commission
   - Claiborne Chamber of Commerce
   - DeSoto Parish Chamber of Commerce
   - Greater Bossier Economic Development Foundation
   - Greater Shreveport Chamber of Commerce
   - Minden-South Webster Chamber of Commerce
   - Natchitoches Area Chamber of Commerce
   - North Webster Chamber of Commerce
   - Red River Parish Chamber of Commerce
   - Ruston-Lincoln Chamber of Commerce
   - Sabine Parish Chamber of Commerce

In addition to working with those organizations, LED regularly works with municipalities, parishes, police parishes and utilities on economic development initiatives.

Statewide partners include:
- American Electric Power/Southwestern Electric Power Company
- Association of Louisiana Electric Cooperatives
- Center for Lean Excellence
- Cleco Corp.
- Entergy Louisiana Economic Development
- Louisiana Association of Planning and Development Districts
- Louisiana Business Incubation Association
- Louisiana Industrial Development Executives Association
- Louisiana Municipal Association
- Louisiana Small Business Development Center Network
- Manufacturing Extension Partnership of Louisiana
- Police Jury Association of Louisiana
- Ports Association of Louisiana
- Procurement Technical Assistance Center

LA Delta Oil Inc.
Louisiana’s got connections.

When Monroe-based CenturyTel announced plans to merge with Kansas-based EMBARQ to become the country’s fourth-largest telecom, Louisiana worked aggressively to develop a strategic support plan to ensure the long-term competitiveness of the company in Louisiana. CenturyLink could have chosen any of the 33 states it operates in for its new headquarters but chose to grow in Louisiana, where it will soon take its place as the state’s third Fortune 500 company.