

Selected Economic Highlights for 2013

Dec. 30, 2013

The Economic Year in Review — Since January 2008, Louisiana's employment performance has been significantly better than the South and the nation. Louisiana's unemployment rate in 2013 remained below the South and U.S., just as it has every month since early 2008.

Louisiana had its best year for business development in the last six years, securing more retained jobs, more new jobs, and more capital investment than in any of the previous five years. Louisiana announced dozens of company expansions or relocations in 2013, launching projects that will result in about 27,000 new jobs and \$26.4 billion in new capital investment, along with hundreds of millions in new sales for small businesses across Louisiana. Noteworthy examples include AAR Corp.'s 750-job aircraft maintenance, repair, and overhaul (MRO) operation in Lake Charles; Bell Helicopter's 115-job assembly facility in Lafayette, which will be Louisiana's first modern-era aircraft assembly facility; CB&I's relocation of 400 professional jobs around the country to Baton Rouge; Rain CII's 71-job corporate headquarters relocation from Houston to Covington; Gulf Coast Spinning's 307-job manufacturing facility in Bunkie; Lockheed Martin's 166-job LNG tank manufacturing operation at NASA's Michoud Assembly Facility in New Orleans; and IBM's 800-job technology center in downtown Baton Rouge, which already has catalyzed a sharp jump in enrollment in LSU's computer science program. Additionally, Louisiana's film/television industry experienced an all-time record level of economic activity.

Additionally, a variety of national publications recognized Louisiana's continued economic development progress in 2013. *Chief Executive* magazine reported that CEOs nationwide ranked Louisiana as the most-improved state for business over the past four years, with Louisiana improving 33 spots since 2009 to now rank No. 11. *Site Selection* magazine ranked Louisiana No. 6 in its business climate report, while *Area Development* magazine ranked Louisiana No. 6 among the Top States for Doing Business. *Business Facilities* ranked Louisiana No. 4 for the Best Business Climate in America, as well as No. 1 in the U.S. for state workforce development programs, highlighting LED FastStart® as the nation's top program for the fourth consecutive year. In every national business climate ranking, Louisiana stands higher today than it ever did prior to 2008.

As the U.S. economy emerges from an era of lethargic national growth, Louisiana will be well positioned in 2014 to secure a healthy share of the nation's new business investment projects. Moreover, Louisiana's economy will experience significant job growth from projects announced over the last few years that are still ramping up. In the year ahead, business retention, small business development, recruitment of new growth industries, customized workforce solutions, attraction of foreign direct investment (FDI), and cultivation of attractive development sites will remain top priorities for LED.

Louisiana outperforms the U.S. and the South

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

- Louisiana ranks No. 6 nationally and No. 2 in the South for employment growth since January 2008.
- Louisiana is one of only 17 states in the U.S. (excluding D.C.) that have experienced employment gains since January 2008.
- Since January 2008, the U.S. has shed 0.9 percent of its jobs and the South overall has experienced a slight decline in employment. Louisiana's employment is up 1.7 percent during that same period of time.
- Louisiana's employment grew by 20,500 jobs from November 2012 to November 2013, marking the 29th consecutive month of year-over-year employment growth in our state.
- Since January 2008, Louisiana has added 50,800 private-sector jobs. With a private-sector job growth rate of 3.2 percent during that time period, our state ranks fourth best in the nation (excluding D.C.) and second best in the South.
- Louisiana has experienced 39 consecutive months of year-over-year, private-sector job growth.
- Louisiana's unemployment rate has remained below that of the South and the U.S. every month since the beginning of the national recession. Louisiana's unemployment rate was 6.3 percent in November 2013, below the 6.6 percent Southern average and 7.0 percent national average.
- According to the U.S. Census, Louisiana's population growth rate over the past six years through July 1, 2013, was about 15.5 percent faster than that of the U.S. overall.
- Louisiana's real estate markets have remained strong. For example, according to CoreLogic, the percentage of outstanding mortgages that were foreclosed upon in Louisiana stood at 1.7 percent in October 2013, which was below the U.S. rate of 2.2 percent
- The 2013 Kauffman Index of Entrepreneurial Activity ranks Louisiana among the Top 10 states with the highest rate of entrepreneurial activity, with 400 of 100,000 adults each month creating a new business in Louisiana during 2012 – up from 265 of 100,000 adults in 2008.
- The U.S. Chamber Enterprising States 2013 report ranked Louisiana No. 8 in the country in overall economic performance with strong job and income growth. Louisiana also ranked as the No. 1 exporting state in the U.S., placing second in all four export measures.
- According to the U.S. Census Bureau Foreign Trade Division, for the 5-year period ending in 2012 (latest available data), Louisiana's export growth (107 percent) more than tripled the growth of U.S. exports (35 percent).
- Net Loans and Leases of Louisiana's 142 FDIC-insured institutions were up 6.8 percent over the year at the end of September 2013, compared to the nation's growth of 3.4 percent.
- Total Assets of Louisiana's 142 FDIC-insured institutions were up 4.3 percent over the year at the end of September 2013, compared to the nation's growth of 2.6 percent.
- Reported this year by the BEA, per-capita personal income in Louisiana grew by nearly \$1,500 (3.7 percent) from 2011 to 2012, ranking No. 16 in the U.S. for growth.

Louisiana advances in the national rankings

For decades, Louisiana traditionally landed near the bottom of many significant national economic rankings, but that historical trend changed in the past six years. Louisiana has moved up substantially in every national business climate ranking since January 2008. By 2013, a growing number of publications indicated Louisiana is the most improved state for business in the U.S.

- Since 2008, Louisiana has moved up significantly in every national ranking of state business climates, including those published by *Area Development*, Beacon Hill Institute, *Business Facilities*, *Chief Executive*, CNBC, *Forbes*, Pollina Corporate Real Estate and *Site Selection*.
- Three national business climate rankings (*Area Development*, *Business Facilities* and *Site Selection*) now place Louisiana among the Top 10 states in the U.S. for business.
- In 2013, *Business Facilities* ranked Louisiana No. 4 in the nation for Best Business Climate. Louisiana also ranks No. 2 for Economic Growth Potential.
- LED FastStart[®] ranked as the nation's No. 1 state workforce training program in the *Business Facilities* 2013 rankings, marking the fourth straight year Louisiana has led the nation in the workforce category.
- *Area Development* magazine ranked Louisiana No. 6 overall in the U.S. in its 2013 Top States for Doing Business, a survey of leading site-selection consultants. Louisiana ranked No. 3 in the U.S. for Overall Business Environment, No. 4 for Cooperative State Government, No. 2 for Incentive Programs, No. 2 for Renewed Consideration Post-Recession, No. 3 for Most Favorable Regulatory Environment, No. 4 for Speed of Permitting, No. 5 for Competitive Labor Costs, and No. 4 for Cost of Doing Business.
- In 2013, *Site Selection* ranked Louisiana's business climate No. 6 in the nation. Louisiana moved up from No. 7 in *Site Selection's* 2012 business climate ranking, and 2013 marks the state's fourth consecutive year in the Top 10. Just four years ago, Louisiana ranked No. 25.
- Pollina Corporate Real Estate ranked Louisiana's business climate No. 14 in its 2013 rankings report, up 26 spots since 2008 – the largest improvement of any state in the past five years. Additionally, Louisiana tied for best-performing state economic development agency.
- Louisiana was recognized by *Southern Business & Development* as Co-State of the Year for 2013, representing the fourth time in five years that the magazine designated Louisiana as State or Co-State of the Year in the South.
- Louisiana ranked No. 11 in *Chief Executive* magazine's ranking of the 2013 Best and Worst States for Business, where hundreds of the nation's top business leaders ranked states on business climate factors, such as taxes and workforce quality, and selected the best and worst states for business overall. Louisiana now stands at the state's highest-ever position in the ranking and has improved 33 spots since 2009, showing the greatest improvement of any state in the U.S. over the past four years.
- In three prominent national business climate rankings of states – *Chief Executive*, Pollina Corporate Real Estate and *Forbes* – Louisiana has moved up an average of 23 spots since 2008.

Louisiana cities and regions climb the rankings

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

- **Acadiana Region.** *Area Development* magazine ranked Lafayette the No. 1 city in the U.S. for economic and job growth. According to *fDI* (Foreign Direct Investment) magazine's 2013-14 American Cities of the Future, Lafayette ranked No. 7 overall among the Top 10 Small American Cities of the Future and No. 1 among small American cities in the category of fDi Strategy, a ranking based on a city's current strategy for foreign direct investment promotion.
- **Bayou Region.** *Area Development* magazine ranked the Houma-Bayou Cane-Thibodaux MSA as the No. 25 mid-sized city in its Leading Locations for 2013. Commerce Bank, based in Houma, was included as one of the top performing community banks by the Independent Community Bankers of America.
- **Capital Region.** *Business Facilities* named Baton Rouge the top-ranked metro for Economic Growth Potential in its annual rankings report. Baton Rouge also earned top honors from *Southern Business & Development*, being named its Major Market of the Year, while Ascension Parish drew a Special Recognition Award from the magazine as the parish or county within a metro area that generated the most impressive job-creation results across the South. The Baton Rouge Area Chamber was named by *Site Selection* magazine as one of the top eleven regional economic development groups in the nation.
- **Central Region.** Sutherland Global Services in Alexandria – for its business process outsourcing and technology management center – received one of 15 national Community Impact Awards, part of *Trade & Industry Development's* eighth Annual CiCi Awards in 2013. *Forbes* ranked Alexandria among the Top 25 places to retire in 2013, due to its warm climate, above-average air quality, Milken Institute ranking for successful aging, cost of living, and median home price of \$136,000.
- **Northeast Louisiana.** Myriant Technologies, with its major bio-based succinic acid facility in Lake Providence, was selected for a Red Herring Top 100 North America Award, honoring the most innovative companies in technology and life science. In December, Myriant gained further recognition as a Red Herring Global 100 Award winner.
- **Northwest Louisiana.** Benteler Steel/Tube in Shreveport was included in the 10 "Top Deals in North America" by *Site Selection* magazine. Benteler's investment also received one of 15 national Corporate Investment Awards, part of *Trade & Industry Development's* eighth Annual CiCi Awards in 2013. Louisiana Tech University was ranked in the Top 25 nationally by AdvisorOne for providing its graduates the best return on investment, and according to PayScale.com, Louisiana Tech ranks first in the state for recent graduates' average starting salaries.
- **Southeast Louisiana.** *fDi* magazine's 2013-14 American Cities of the Future ranked New Orleans No. 6 overall in the Top 10 Mid-Sized American Cities of the Future list and No. 4 in economic potential for Top 10 Mid-Sized American Cities. Bloomberg.com ranked New Orleans No. 2 as a Top American Boomtown. *Governing* magazine noted New Orleans was the fastest-growing city in the nation between 2010 and 2012. *Forbes* ranked New Orleans No. 3 in the nation for Big Cities Winning the Battle for Information Jobs. *Southern Business & Development* ranked New Orleans No. 2 for Major Market of the Year. A report by the Brookings Institution ranked New Orleans No. 3 among U.S. metro areas for the share of jobs in science, technology, engineering and math available to people without a bachelor's degree. Mandeville was named a Google eCity, recognized as having the strongest online business community in the state. *Business Facilities* ranked New Orleans No. 1 in the nation for being the Logistics Leader in ports.
- **Southwest Louisiana.** *Southern Business & Development* magazine ranked Lake Charles No. 2 for Mid-Market of the Year. The magazine also highlighted Lake Charles as one of "Ten Shining Examples of Economic Development That's Working in the South." Southwest Louisiana Economic Development Alliance was named by *Site Selection* magazine as one of the top eleven regional economic development groups in the nation.

Louisiana bucks national trends with job, investment growth

As the national economy slowly emerges from recession, dozens of companies contributed to Louisiana's rapidly growing economy in 2013, committing thousands of new jobs and billions in new capital investment.

- Working with its local and regional partners, LED secured 67 major project wins in 2013, including 49 expansion or retention projects and 18 new projects. The wins occurred in Louisiana's traditional industries, such as chemical manufacturing and agribusiness, as well as in new growth industries, such as clean tech, digital media, and software development.
- Together, these projects are projected to retain about 18,000 jobs and create about 8,370 new direct jobs and 18,625 new indirect jobs, for a total of about 27,000 new jobs, as well as \$26.4 billion in new capital investment.
- As these projects are executed, they will result in hundreds of millions of dollars in new sales for Louisiana small businesses, as well as about \$85 million per year in new state tax revenue.
- The totals above exclude the direct support LED provided to thousands of Louisiana small businesses in 2013, including more than 1,700 small businesses served by LED's Small Business Services team and nearly 10,000 small businesses and individuals served by the Louisiana Small Business Development Center network, or LSBDC, with sustained funding support from LED.
- From Jan. 1 through Dec. 4, 2013, LED and LSBDC efforts generated approximately 1,281 new jobs, retained 415 jobs and helped launch 171 new businesses representing \$55.4 million in debt and equity investment for Louisiana small businesses. These services also generated an estimated increase in sales of more than \$34 million, representing a more than 100 percent increase from the prior year as a result of LED and LSBDC activities.
- During 2013, the LSBDC network participated in the LED State Trade and Export Promotion (STEP) Program working with existing firms to assess their interest in international trade and referring 88 businesses into the program.
- In 2013, LED's Office of Entertainment Industry Development oversaw an all-time record year for television and movie production in Louisiana, with film companies submitting audited expenditures of nearly \$810 million in 2013, a 12.7 percent increase over last year.
- LED's Live Performance incentive program supported the historic reopening of the Saenger Theatre in New Orleans following a \$52 million renovation, while the Sound Recording incentive program supported the opening of Louisiana's largest recording studio in 2013, the 14,000-square-foot Esplanade Studios in the historic New Orleans neighborhood of Tremé.

Louisiana supports existing businesses

LED's No. 1 priority in 2013 continued to be its business retention and expansion efforts. Owing to this focus and the performance of LED's Business Expansion and Retention Group, a wide spectrum of Louisiana companies committed to stay and grow in Louisiana during 2013. Some selected examples follow:

- Canada-based Methanex Corp. announced the second of two methanol plants that will be relocated from Chile to Geismar, La., creating a combined capital investment of \$1.1 billion that will result in more than 1,300 new direct and indirect jobs and produce an estimated 2,500 construction jobs. The project ushers in a new wave of U.S. methanol production in response to more plentiful shale-sourced natural gas.

- Axiall Corp., the newly merged union of Georgia Gulf Corp. and PPG's chemicals business, announced the selection of Louisiana for a potential \$3 billion investment in new ethylene and related derivatives facilities, with the project representing more than 2,400 new direct and indirect jobs.
- Gulf Coast Spinning Company LLC announced a \$130 million capital investment in Bunkie, where its cotton-spinning textile project represents the second phase of an affiliated mill that opened in 2009 in Jefferson Davis Parish. The new mill project will result in 307 new direct jobs and an estimated 722 new indirect jobs, with construction starting in mid-2014.
- Building upon an existing \$3 billion investment in Iberville and West Baton Rouge parishes, Shintech Inc. announced plans to complete an additional \$500 million capital investment to boost its chlor-alkali, vinyl chloride monomer (VSM) and polyvinyl chloride (PVC) capacity. The project, to be completed by mid-2015, will result in 54 new direct and indirect jobs while retaining 270 existing employees.
- Teleperformance, the world's largest provider of customer support solutions, announced a 740-job expansion of its Shreveport customer contact center that will increase total employment at the site to 2,000. In addition, the Teleperformance expansion will result in an estimated 637 new indirect jobs, for a total of more than 1,370 new jobs across the state's Northwest Region.
- National Oilwell Varco will make a \$23 million capital investment in a new drilling technology facility in New Iberia. NOV will retain 1,793 existing employees in the state with the project, which will result in more than 150 new jobs.
- Dow Chemical Company announced a more than \$1 billion capital investment to build a pair of polyolefin plants – one for producing next-generation synthetic rubber and one for producing high-performance polyethylene – while also upgrading its ethylene capacity at the company's Plaquemine site. The project will retain 1,380 existing workers while resulting in more than 540 new jobs.
- Newpark Resources Inc. will invest \$41.1 million to expand its Carencro manufacturing facility, doubling its capacity to produce composite mats for drill-site construction and other applications. The project includes a new research and development center and will result in more than 100 new jobs while retaining 270 existing Newpark employees in the state.
- Crest Industries announced a \$15 million capital investment to build a galvanizing facility near Hammond that will serve electrical utility and petrochemical customers. The Pineville-based company will retain 559 existing employees in Louisiana with the manufacturing project that will result in 165 new jobs.
- In Pineville, The Hayes Companies announced a \$3 million capital investment in its manufacturing division, leading the steel fabricator to create 75 new jobs in a project that will result in 89 new indirect jobs and that retains 135 existing employees.
- Deepwater oil and gas growth spurred Danos to select Gray, La., near Houma, as the site of its new corporate headquarters. The \$30 million expansion also includes a new manufacturing facility to be built in coastal Louisiana. Combined, the projects will create 426 new direct jobs over the next five years and result in an additional 871 new indirect jobs, for a total of nearly 1,300 new jobs in Louisiana.

Louisiana cultivates new growth opportunities

LED complements the retention and growth of Louisiana's existing companies by cultivating new growth opportunities that diversify the state's economy and accelerate its economic growth. Below are examples of how LED captured these new growth opportunities in 2013:

- Bell Helicopter, following a multistate site-selection competition, selected Lafayette Regional Airport as the location for a new assembly facility to produce its new SLS helicopter. The project represents the first modern-era aircraft assembly project in Louisiana and will result in more than 250 new direct and indirect jobs, an \$11.4 million company investment in equipment and tooling, and a significant addition to the state's growing aerospace industry.
- Leveraging Louisiana's favorable forestry resources, Cool Planet Energy Systems announced a \$168 million capital investment to develop three groundbreaking micro-refineries in Alexandria and Natchitoches. The biomass-to-gasoline refineries will result in nearly 500 new direct and indirect jobs.
- AAR Corp. announced a new 750-employee Maintenance, Repair and Overhaul (MRO) facility for aircraft services at Chennault International Airport in Lake Charles. The aerospace and defense contractor, which has seen sales triple in the past decade, will partner with the State of Louisiana in creating an Aircraft MRO Center of Excellence at SOWELA Technical Community College.
- Lockheed Martin, a longtime aerospace contractor at NASA's Michoud Assembly Facility, will diversify its operations at the New Orleans site by manufacturing cryogenic tanks for liquefied natural gas, or LNG, projects. Along with a \$3 million capital investment, the project will result in more than 400 new direct and indirect jobs.

Louisiana attracts corporate office investments

As Louisiana's economic competitiveness continued to improve, more companies made major corporate office investments in the state, including moving headquarters operations to Louisiana. Below are some examples of the companies that announced major corporate office expansions in Louisiana during 2013:

- IBM announced a major 800-job technology center in Baton Rouge that will provide quantitative-intense business solutions to the company's domestic customers. As a \$55 million urban development to be anchored by IBM is under construction in the state's capital, the company has begun operations at a temporary Baton Rouge office with more than 100 employees. Meanwhile, computer science enrollment by incoming freshman at LSU's College of Engineering leaped 60 percent in the fall 2013 semester in anticipation of future IBM employment opportunities.
- Rain CII Carbon LLC – a leading manufacturer of calcined petroleum coke, an essential element in making aluminum – announced it will relocate its headquarters from greater Houston to Covington, La., resulting in more than 140 new direct and indirect jobs in Louisiana. Salaries for the 71 new direct jobs will average more than \$102,000 per year, plus benefits. The company will retain 156 existing jobs and make a \$65 million capital investment in its plant operations located in Chalmette, Norco, Gramercy and Lake Charles.
- CB&I, which completed its acquisition of The Shaw Group in early 2013, grew its presence at Shaw's former Baton Rouge operations by announcing a 400-job expansion of its Government Solutions operating group. CB&I will consolidate the 400 professional jobs from out-of-state locations to CB&I Plaza and a new Towne Center at Cedar Lodge corporate office in Baton Rouge. The project will result in more than 800 new direct and indirect jobs for the Capital Region.
- Houston-based Plains Exploration & Production Company, known as PXP, announced an \$18 million capital investment in Lafayette to build a new administrative office and logistics facility that will support its growing deepwater oil and gas operations in the Gulf of Mexico. The project will retain 71 existing employees while resulting in 220 new direct and 528 new indirect jobs.

- Wingspan Portfolio Advisers established its first major financial center in Louisiana by acquiring the JPMorgan Chase home mortgage finance center in Monroe. Wingspan, ranked No. 23 on the 2013 *Inc.* 500 list of America's fastest-growing private firms, will retain approximately 400 former Chase employees while investing \$2 million to renovate the seven-floor office. The project will result in more than 1,100 new jobs in Northeast Louisiana over the next decade.
- Jogler LLC, a Houston-based manufacturer of precision instruments for process industries, announced the relocation of its headquarters and manufacturing operations from Texas to Baton Rouge. The company will establish its operations in a 17,000-square-foot Industriplex Boulevard facility, and the project will result in more than 135 new direct and indirect jobs.
- Pelican Energy Consultants announced the retention and expansion of its Madisonville, La., headquarters after considering a move to Texas. The energy engineering services firm, which currently employs 158 people in greater New Orleans, will create 195 new direct jobs, and the project will result in an estimated 280 new indirect jobs, for a total of more than 470 new jobs in the Southeast Region of Louisiana. Salaries for the new direct jobs will average \$90,000, plus benefits, as Pelican Energy Consultants expands its global oil-and-gas engineering services.

The year ahead: enhancing Louisiana's economic edge

Against the backdrop of a U.S. economy with limited growth, Louisiana reached new heights for economic development performance in 2013, increasing its recruitment of new jobs (up more than 12 percent, to about 27,000) and its attraction of new capital investment (up more than 18 percent, to \$26.4 billion) over the already strong performance of 2012.

In the coming year, LED will pursue targeted initiatives for 2014 that enhance Louisiana's economic competitiveness; retain Louisiana's existing economic-driver firms; support Louisiana's small businesses; cultivate attractive development sites; offer world-class, customized workforce solutions, and partner with LCTCS to address growing industrial craft labor training needs; ramp up efforts to secure more FDI; and recruit new growth industries to Louisiana. LED also will continue its aggressive efforts to position Louisiana to benefit from the advent of low, stable natural gas prices more than any other state in the U.S.

Although a robust U.S. jobs recovery remains elusive, Gov. Bobby Jindal, the Louisiana Legislature and LED will continue working with the state's business community in 2014 to build upon Louisiana's economic advances, ensuring the state continues to outperform the U.S. and the South.

Appendix

Introduction

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

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

For each business incentive and assistance program, a brief description of the program’s objective and calendar year 2013 performance information are included. The performance information highlights 2013 activity levels and illustrates the impact being delivered through the various programs.

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

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

Small Business Development Centers

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

Businesses Receiving Counseling by SBDCs:	5048
Individuals Trained by SBDCs:	5980
Business Starts by SBDC Clients:	190
Anticipated Jobs Created by SBDC Clients:	1138

Loans Received by Small Businesses Assisted at SBDCs (\$million): 48.0

Small and Emerging Business Development Program

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

Small Businesses Certified: 468
TAs Provided to Certified Businesses: 192
Percentage by which Assisted Certified Businesses 2-Year Survival Rate Exceeds Similar Businesses: * 16.2

*This figure represents FY 12-13 because it is a labor-intensive effort to monitor all businesses assisted two years ago and determine if they are still in business. This is done once per year at the end of the fiscal year.

Hudson Initiative and Veteran's Initiative

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

Small Entrepreneurships Certified: 569
Veteran Owned Businesses Certified: 130
Service-Connected Disabled Veteran Owned Businesses Certified: 53

Small Business Loan Program

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

New Projects:	5
Total Bank Loans to Businesses (\$million):	4.7
Anticipated New Direct Jobs:	29
Anticipated Retained Jobs:	51

Quality Jobs

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

New Projects:	23
Anticipated New Direct Jobs:	1357
Anticipated Construction Jobs:	1712
Anticipated Associated Capital Investment (\$million):	1272.4

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.

New Projects:	2
Anticipated New Direct Jobs:	1419
Anticipated New Indirect Jobs	6122
Anticipated Total New Jobs (Direct and Indirect)	7541
Anticipated Associated Capital Investment (\$million):	18503.0

Enterprise Zone

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

New Projects:	128
Anticipated New Direct Jobs:	3745
Anticipated Construction Jobs:	7094
Anticipated Associated Capital Investment (\$million):	2566.2

Restoration Tax Abatement

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

New Projects:	26
Anticipated New Direct Jobs:	195
Anticipated Construction Jobs:	765
Anticipated Associated Capital Investment (\$million):	272.1

Industrial Tax Exemption

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

New Projects:	710
Anticipated New Direct Jobs:	2845
Anticipated Construction Jobs:	42057
Anticipated Associated Capital Investment (\$million):	16293.3

Retention & Modernization Tax Credit Program

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

New Projects:	5
Amount of Tax Incentives Awarded (\$million):	4.8
Anticipated New Direct Jobs:	107
Anticipated Retained Jobs:	2213
Anticipated Associated Capital Investment (\$million):	292.1
Anticipated New Payroll (\$million):	6.6
Anticipated Retained Payroll (\$million):	186.6

Motion Picture Investor Tax Credit

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

Number of applications received:	119
Number of applications receiving final certification:*	113
Certified spending in the state (\$million):	809.7
Amount of tax credits certified (\$million):	251.1

*May include applications received in other reporting periods and may not include some applications received in 2013.

Digital Interactive Media and Software Tax Credit

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

Number of applications received:	148
Number of applications receiving final certification:*	73
Certified spending in the state (\$million):	44.6
Amount of tax credits certified (\$million):	15.0

*May include applications received in other reporting periods and may not include some applications received in 2013.

Sound Recording Investor Tax Credit

The Sound Recording Investor Tax Credit program encourages investment in musical recording production in the state. The program provides a 25% refundable tax credit for qualified Louisiana production expenditures. The program is subject to a cap of \$3 million in tax credits each calendar year. Projects qualifying for the tax credits after the annual cap has been reached are automatically placed in the queue to receive tax credits in the next calendar year.

Number of applications received:	33
Number of applications receiving final certification:*	11
Certified spending in the state (\$million):	0.7
Amount of tax credits certified (\$million):	0.2

*May include applications received in other reporting periods and may not include some applications received in 2013.

Musical and Theatrical Production Tax Credit

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

also incentivizes and provides support for collaboration with Louisiana’s top educational institutions.

Number of applications received:	11
Number of applications receiving final certification:*	5
Certified spending in the state (\$million):	2.0
Amount of tax credits certified (\$million):	0.4

*May include applications received in other reporting periods and may not include some applications received in 2013.

Research & Development Tax Credit

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

Credits allowed for expenditures made in 2009 and thereafter:

- Eight percent of the state’s apportioned share of the taxpayer’s expenditures for increasing research activities, if the taxpayer is an entity that employs 100 or more Louisiana residents.
- Twenty percent of the state’s apportioned share of the taxpayer’s expenditures for increasing research activities, if the taxpayer is an entity that employs 50 to 99 Louisiana residents.
- Forty percent of the state’s apportioned share of the taxpayer’s expenditures for research activities, if the taxpayer is an entity that employs less than 50 Louisiana residents.
- Twenty five percent of the state’s apportioned share of the federal research credit claimed for research expenditures in the state if the taxpayer claims the alternative incremental tax credit under 26 U.S.C. §41.

Number of applications approved:	277
Certified R&D spending in the state (\$million):	293.3
Total Credits Certified (\$million):	29.0

Technology Commercialization Tax Credit & Jobs Program

The Technology Commercialization Credit and Jobs program provides tax credits for companies that invest in the commercialization of Louisiana technology. Qualifying research centers that develop Louisiana technology to be commercialized may be granted a refundable tax credit based on new jobs created. The technology must be created by a Louisiana business and

researched by a Louisiana university or college. Eligible entities can also receive jobs tax credits of up to 6% of gross payroll for all new jobs created.

New Projects:	6
Total Credits Certified (\$million):	0.2
Approved Commercial Costs (\$million):	0.4

Angel Investor Program

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

Number of projects:	16
Anticipated Retained Jobs:	76
Anticipated New Jobs:	33
Anticipated Payroll (\$million);	4.1
Anticipated Annual Gross Revenues (\$million):	15.1
AITC's Issued (\$million):	3.9

Venture Capital Match & Co-Investment Program

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

Number of projects:	2
State Investment (\$million):	0.6
Funds leveraged (\$million):	3.0

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.

Number of projects:	2
State Investment (\$million):	0.8
Projected funds leveraged (\$million):	2.7

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 four years in a row (2010-2013). 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:	28
Employees Trained:	3011
Anticipated New Direct Jobs:	4531
Anticipated Retained Jobs:	5442
Anticipated Associated Capital Investment (\$million):	4008.4

Rapid Response Fund

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

New Projects:	2
Award Amount (\$million):	5.8
Anticipated Retained Jobs:	506
Anticipated New Direct Jobs:	110
Anticipated New Indirect Jobs:	348
Anticipated New Total Jobs (Direct and Indirect):	458
Anticipated Associated Capital Investment (\$million):	28.5
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	1.2

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.

New Projects:	2
Award Amount (\$million):	43.0
Anticipated Retained Jobs:	0
Anticipated New Direct Jobs:	1475
Anticipated New Indirect Jobs:	2082
Anticipated New Total Jobs (Direct and Indirect):	3557

Anticipated Associated Capital Investment (\$million):	900.0
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	13.3

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:	3
Award Amount (\$million):	2.7
Anticipated Retained Jobs:	144
Anticipated New Direct Jobs:	241
Anticipated New Indirect Jobs:	412
Anticipated New Total Jobs (Direct and Indirect):	653
Anticipated Total Capital Investment (\$million):	123.3
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	2.1

EXISTING PROGRAMS WITH NO NEW ACTIVITY IN 2013

The following existing programs had no new activity in 2013, only renewals or continuations of commitments from prior years.

Small Business Bonding Assistance Program

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

Industry Assistance Program

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

Tax Equalization Program

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

Micro Loan Program

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

Urban Revitalization Tax Credit Program

The Urban Revitalization Tax Incentive Program was established to stimulate economic development and create new jobs in urban and rural communities by providing tax incentives to small businesses that locate their principal office and work sites in a Historically Underutilized Business (HUB) Zone. Additionally, the small business must obtain HUB Zone approval from the local governing authority and must employ staff that reside in or adjacent to

the HUB Zone, receive some form of public assistance prior to employment, or are unemployable by lacking in basic skills. The program provides a \$5,000 credit per net new job and will qualify the business to participate in the federal Workforce Investment Act Program through the Louisiana Workforce Commission. A business participating in this program cannot also participate in the Enterprise Zone Program.

Atchafalaya Natural Heritage Area Development Zone Tax Credit Program

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

Ports Tax Credit Program

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

Corporate Tax Apportionment Program

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

Corporate Headquarters Relocation Program

This program enables Louisiana Economic Development to provide a 25% rebate, spread over five years, on relocation expenses for headquarters that create at least 25 high-paying jobs. The

program assists in efforts to attract some of the most competitive and most attractive of all projects in the site-selection world: corporate headquarters. Primary location of a company comes with significant economic output, well-compensated professional workforce and prestige. This option will only be offered for projects that yield a positive return on investment for the state.

Competitive Projects Tax Exemption Program

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