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MEETING MINUTES FOR THE BOARD OF DIRECTORS  
OF THE  
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION  
HELD AT  
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM  
FOURTH FLOOR BOARD ROOM  
8401 UNITED PLAZA BOULEVARD  
BATON ROUGE, LOUISIANA  
ON THE 21ST DAY OF JANUARY, 2011  
COMMENCING AT 9:46 A.M.

REPORTED BY: ELICIA H. WOODWORTH, CCR

♀

1 APPEARANCES OF BOARD MEMBERS PRESENT:

2

- 3 A.J. Roy
- 4 Jay Rousseau
- 5 Steven Grissom
- 6 Shelly Ferro
- 7 Thomas Cotten
- 8 Harry Avant
- 9 Louis Reine
- 10
- 11
- 12 STAFF MEMBERS PRESENT:
- 13 DARIA VINNING
- 14 BRENDA GUESS
- 15 RICK BROUSSARD
- 16 KATHY BLANKENSHIP
- 17 RANDY VEILLON
- 18 KRISTY MCKEARN
- 19 CLARK FORREST
- 20
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- 1 MR. ROY:
- 2 Call to order of the record Louisiana
- 3 Economic Development Corporation.
- 4 Roll call, please.
- 5 MS. VINNING:
- 6 A.J. Roy.
- 7 MR. ROY:

8                   Here.  
9                   MS. VINNING:  
10                  Jay Rousseau.  
11                  MR. ROUSSEAU:  
12                  Here.  
13                  MS. VINNING:  
14                  Alden Andre.  
15                  (No response.)  
16                  MS. VINNING:  
17                  Steven Grissom.  
18                  MR. GRISSOM:  
19                  Here.  
20                  MS. VINNING:  
21                  Shelly Ferro.  
22                  MS. FERRO:  
23                  Here.  
24                  MS. VINNING:  
25                  Mike Saucier.

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1                   (No response.)  
2                   MS. VINNING:  
3                   Bal Sareen.  
4                   (No response.)  
5                   MS. VINNING:  
6                   Thomas Cotten.  
7                   MR. COTTEN:  
8                   Here.  
9                   MS. VINNING:  
10                  Harry Avant.  
11                  MR. AVANT:

LEDC BOARD MEETING - Vol. I.txt  
Here.

12

MS. VINNING:

13

Louis Reine.

14

MR. REINE:

15

Here.

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MS. VINNING:

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Robert Stuart.

18

(No response.)

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MS. VINNING:

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We have seven out of 11 members. We  
have a quorum.

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MR. ROY:

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Very good.

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If everyone would silence their cell

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phones, I'll appreciate it.

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First order of the business is the  
approval of minutes of the December 10th  
meeting.

2

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MR. COTTEN:

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Motion to approve.

6

MR. ROY:

7

Motion to approve has been presented.

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MR. ROUSSEAU:

9

Second.

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MR. ROY:

11

All in favor say "aye".

12

(Several members respond "aye".)

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MR. ROY:

14

All opposed "nay".

15

(No response.)

16

17 MR. ROY:  
18 Without objection.  
19 Election of officers for the board.  
20 First officer is the chairman. Any  
21 nominations for chairman?  
22 MR. ROUSSEAU:  
23 Volunteer.  
24 MR. REINE:  
25 You volunteer?

♀

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1 MR. ROY:  
2 I'm sorry?  
3 MR. REINE:  
4 You volunteer? I nominate you as  
5 chairman.  
6 MR. ROUSSEAU:  
7 I second that motion.  
8 MR. ROY:  
9 Motion to nominate me as a chairman,  
10 second. Do we have any other nominations?  
11 MR. REINE:  
12 Nominations be closed.  
13 MR. ROY:  
14 Please, would anyone else like to be  
15 chairman? You're welcome to it.  
16 MR. REINE:  
17 Too slow.  
18 MR. ROY:  
19 Motion to close the nominations. Was  
20 there a second?

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MR. COTTEN:  
Second.  
MR. ROY:  
Second. All in favor say "aye".  
(Several members respond "aye".)

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MR. ROY:  
All opposed "nay".  
(No response.)  
MR. ROY:  
Thank you very much for your confidence.  
Vice chairman, any nominations for vice  
chairman?  
MR. REINE:  
Who is the current vice chairman?  
MR. ROY:  
Mr. Cotten.  
MR. REINE:  
Who?  
MR. ROY:  
Mr. Cotten.  
MR. REINE:  
Mr. Cotten gets to keep his job.  
MR. ROY:  
Motion to --  
MR. REINE:  
Does that double his pay?  
MR. ROY:  
Motion to nominate Mr. Cotten as our  
vice chairman. I second. Any other  
nominations?

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8

1 MR. REINE:  
2 Let the nominations be closed.  
3 MR. ROY:  
4 Motion to close nominations.  
5 MR. ROUSSEAU:  
6 Second  
7 MR. ROY:  
8 All in favor of Mr. Cotten "aye".  
9 (Several members respond "aye".)  
10 MR. COTTEN:  
11 Thank you.  
12 MR. ROY:  
13 Congratulations.  
14 Moving on to the EDP Program for the  
15 Port of New Orleans, Smucker's and Folgers  
16 Coffee Company, Mr. Clark Forrest.  
17 MR. FORREST:  
18 Good morning, gentlemen.  
19 We hope that y'all have had your  
20 Folgers Coffee this morning because  
21 Folgers is now owned by the Smucker's  
22 Company. And you know the motto, "If it's  
23 Smucker's --"  
24 MR. ROUSSEAU:  
25 "It's got to be good."

♀

9

1 MR. FORREST:  
2 We're very pleased to have a

3 representative of the Port here that I'll  
4 introduce shortly, as well as a  
5 representative from Smucker's headquarters  
6 in Orrville, Ohio. We also have in the  
7 audience Mr. Tommy Curtis, who had worked on  
8 this project, so he's here to make sure  
9 that we represent the project as he  
10 intended.

11 That Folgers, as you'll see from the  
12 brief description, of course, has been in  
13 business since 1850 making coffee, and we  
14 assume that most of the period were in  
15 New Orleans. That Smucker's, of course, is  
16 a major national and international company  
17 that has numerous brands that they produce,  
18 from Jif Peanut Butter to Hungry Jack  
19 Pancakes.

20 Tommy and I had the good fortune to  
21 visit their headquarters and see the plant  
22 when we were all in Ohio at the National  
23 Economics Development Council and got to  
24 tour the facility, which was very  
25 reminiscent since I grew up on a strawberry

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10

1 farm, and they just happened to be making  
2 strawberry jellies and jams that day. So it  
3 was just a pleasant aroma that was  
4 reminiscent.

5 This project in New Orleans is to help  
6 consolidate, after Smucker's acquired the  
7 Folgers brand from the previous owner, which



8 was P&G. The specific item that the  
9 \$500,000 EDAP is going to address is the  
10 drainage and roadway improvements because  
11 Smucker's intends to obviously grow the  
12 business and ingress and egress, of course,  
13 is important to the company. They are  
14 investing over \$69 million in three  
15 facilities -- actually, four that they  
16 have. Three in New Orleans. One in  
17 McComb.

18 They're going to retain 450,000 --  
19 excuse me -- 450 existing jobs, and they're  
20 going to create 120 net new jobs for a total  
21 of 570 jobs, which at the end of the 10  
22 years, would be a payroll of over \$37  
23 million. And our staff recommendation is  
24 that this would be an EDAP job credit loan,  
25 which means that the company will be given

11

1 two years to create the additional jobs,  
2 which they must, you know, retain throughout  
3 the contract period. And if the jobs are  
4 created and maintained at the stipulated  
5 payroll level, then the EDAP would be a  
6 grant. If they fall short on any portion,  
7 then that portion would be converted to a  
8 loan.

9 And our contingencies, if they were  
10 numbered, is -- for the record, is that the  
11 first one, of course, is that the funding

12 for the project would depend on the  
13 availability of LEDC funds allocated, you  
14 know, for EDAP by the board approval, and  
15 that the project must also be approved by  
16 the Division of Administration Office of  
17 Facility of Planning and Control is eligible  
18 for capital equity funding. We have not  
19 received the approval back, but we do not  
20 intend or foresee a problem there; but that  
21 is one of the contingencies we have to  
22 have addressed before we can release the  
23 funding. And then the EDAP applicants will  
24 be given 90 days to start the project, and  
25 they'll have to appear before y'all to

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12

1 explain the delay.

2 Number three has already been addressed,  
3 that's the operating estimates. We have a  
4 signed letter from the Port that they're  
5 going to maintain the State's investment.  
6 We also have a letter now that indicates  
7 that the life of the project is 25 years,  
8 will be designed to last that long. And we  
9 have a cost estimate of the average -- I  
10 don't have one. I'm sure that we got one  
11 somewhere, but we've got to have an ES4 from  
12 the company.

13 And the final contingency that was  
14 listed on y'all's, it has been addressed.  
15 We've got the statement that all of the  
16 technical requirements and permits will

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be obtained.  
So that's a quick overview. If you have any questions, I'll be glad to answer them. If not, we have Mr. Clay Miller from the Port of New Orleans to give you a brief overview from the Port's perspective, and then he'll turn it over to the company, Mr. Curtis Mall, who is the CFO with Smucker's.

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MR. MALL:  
Not the CFO, tax rep.  
MR. ROY:  
I'm sorry?  
MR. MALL:  
I'm the Director of Tax.  
MR. ROY:  
Director of Tax?  
MR. MALL:  
Yes.  
MR. FORREST:  
I'll just give them a projection.  
MR. MALL:  
I'll take that.  
MR. MILLER:  
Good morning. It's a pleasure to be here. We appreciate your consideration. My name is Clay Miller. I'm the Director of Business Development for the Port of New Orleans. We're happy to be a sponsor for

21 this project. Folgers Coffee has always  
22 been integral to the Port of New Orleans.  
23 Port of New Orleans has been a major  
24 world-renowned coffee port for decades.  
25 Now, this solidifies us more so as a coffee

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14

1 port.

2 This investment and the roadway,  
3 \$500,000 is minimal compared to the total  
4 investment that Smucker's and Folgers will  
5 be making in their plan, which is tens of  
6 millions of dollars, as you probably know.  
7 More importantly, the jobs that we're  
8 creating and the additional coffee we're  
9 bringing into the Port.

10 Folgers imports all of their coffee. A  
11 great majority of that that comes through  
12 the Port is processed through a Silo Cafe,  
13 which is the largest bulk handler of coffee  
14 in the world. They process over 300 million  
15 pounds of coffee a year through that  
16 facility and all over the coast for Folgers.  
17 It's kind of hard to imagine 800 pounds of  
18 coffee, that we drink that much, but  
19 evidently, we do.

20 So the Port is thrilled and very happy  
21 to be a part of this, to be the sponsor for  
22 this \$500,000 grant. It's very much needed.  
23 The service roadway that services Folgers  
24 Coffee plant at Chef Highway and Gentilly  
25 Road, it is owned by the Port. This roadway

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1 was the roadway that lead to the Almonaster  
2 Bridge some years ago. That was  
3 discontinued, so this road now only  
4 leads to the Folgers private plant. It's  
5 like a private driveway, but it's a long  
6 driveway. It's 1,000 feet.

7 After Katrina, due to the effects of  
8 Katrina and drainage off the bridge,  
9 portions of the roadway were compromised and  
10 then wiped out, and there's a number of  
11 repairs that need to be done. No repairs  
12 have been done to this roadway in quite some  
13 time. The washout being the main thing, but  
14 curving, drainage, signage, striping, some  
15 fencing needs to be done, and we think  
16 \$500,000 is ample to do this. It does have  
17 to go to public bid being over a \$100,000  
18 and we will do that, but our engineers have  
19 estimated that \$500,000 should be ample  
20 money to do everything to put this as a  
21 Class A roadway.

22 MR. ROY:

23 Questions, comments.

24 MR. REINE:

25 I have one. First of all, I would like

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1 the record to state that that's not Folgers  
2 Coffee, just because I don't want a conflict

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of interest.

I see here the Quality Jobs benefits, those are for the new jobs that are going to be created?

MR. MALL:

That's correct.

MR. REINE:

Those will follow the wage requirement and health insurance that are required under that?

MR. MALL:

That's correct.

MR. REINE:

Chairman, whenever you're ready, I move motion to approve.

MR. ROY:

Motion to approve has been presented.

MR. AVANT:

Second.

MR. ROY:

Second. Any discussions or questions?

Any other discussions?

I have one just kind of related to the

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entire coffee business. What percentage of coffee in the United States, if you know, comes through the Port of New Orleans?

MR. MALL:

We're up around 40 percent of the total coffee market. The two major ports are Port of New Orleans and New York, with -- but we

8 battle back and forth about who is number  
9 one, who's number two right now. It's New  
10 York. There's coffee that comes through  
11 Jacksonville and there's another minor port,  
12 but we're the two major ports, both on the  
13 coffee exchange. That's a big part of the  
14 coffee market, about 40 percent of it, which  
15 is huge, of course. That's huge for us.

16 MR. COTTEN:

17 where does the coffee come from? what  
18 countries?

19 MR. MALL:

20 All over. It comes from the Far East,  
21 Vietnam. It comes from Africa. It comes  
22 from South America, so it's really  
23 world-wide.

24 MR. ROY:

25 Interesting.

18

1 Motion and second to approve has been  
2 presented. Any other questions or  
3 discussions?

4 (No response.)

5 MR. ROY:

6 If there are none, all in favor say  
7 "Aye".

8 (Several members respond "aye".)

9 MR. ROY:

10 All opposed "nay".

11 (No response.)

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MR. ROY:  
Any comments from the public?  
MR. FORREST:  
Comment?  
MR. ROY:  
It is approved.  
MR. GRISSOM:  
Thank you.  
MR. FORREST:  
Thank you.  
MR. MALL:  
Thank y'all.  
MR. ROY:  
Thank you. Good luck to y'all. Keep us

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posted.  
Next order of business is the Small  
Business Loan Program, BB's Daycare.  
MR. VEILLON:  
Good morning, Mr. Chairman, Members of  
the Board. I would like to introduce Brandy  
Bel, the owner of BB's Daycare.  
MR. ROY:  
Good morning.  
MR. VEILLON:  
Mr. Paul Jones, Vice President of  
Central Progressive has been here with us.  
Central Progressive Bank of Mandeville  
is requesting a loan guarantee for BB's  
Daycare in response to this program. The  
loan guarantee would provide financing for



17 the construction of the daycare business,  
18 and the project satisfied the work criteria  
19 for approving the amount due to a serious  
20 demand for some job growth. The company has  
21 requested \$328,800 for a term loan from  
22 Central Progressive Bank. A guarantee will  
23 be \$246,600 or 75 percent of \$328,800 for  
24 the construction of the new daycare center,  
25 which would be located in Amite.

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1 The owners have indicated a total  
2 equity of 15 percent, which would satisfy  
3 the equity requirement to do that. The  
4 entire loan will be for the first mortgage  
5 on the land, building and equipment. The  
6 term of the commitment would be for five  
7 years.

8 As most of you know, the demand for  
9 child care services is strong and growing.  
10 The Premier Centre -- I believe, there's one  
11 other competitor, and BB's is sort of  
12 structured so that it's like a hub between  
13 Mandeville and Covington and Hammond. So it  
14 should be successful. And this lady has  
15 nice experience in the business, so we  
16 recommend it. And if this board has any  
17 questions or comments, we would appreciate  
18 it.

19 MR. ROY:

20 Questions, comments.

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MS. BEL:

I take six months to 12 years.

MR. ROY:

Is that what's known as Class A?

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MS. BEL:

Yes, sir. I'm Class A. I've been open  
for five years.

MR. ROY:

Explain the classes. What is the class  
designation?

MS. BEL:

The Class A daycares can take children  
that have help from the State. They receive  
child care assistance through the parents.  
We have to follow a lot more education, take  
classes. Class B doesn't have to. That's  
the main issue with Class A/Class B.

The State has recently gotten to where  
we use a fingerprint print machine, and kind  
of -- when the kids come in, that's how they  
pay us. So a lot of the daycares have went  
to Class B because they didn't want to fool  
with it. So there's not very many Class A  
day cares open right now in Tangipahoa.

MR. ROY:

Mr. Cotten?

MR. COTTEN:

Brandy, we've talked earlier, and you  
have been in the business for how many

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22

1 years?

2 MS. BEL:

3 I've had my own for five years, and I've  
4 been in daycare for 10.

5 MR. COTTEN:

6 So you've got good experience.

7 MS. BEL:

8 Yes, sir.

9 MR. COTTEN:

10 And where did you learn the trade from?

11 MS. BEL:

12 My grandmother owned a daycare and I  
13 worked and I went through college for child  
14 care development.

15 MR. COTTEN:

16 Excellent. Thank you.

17 MR. ROY:

18 A teaching degree for early  
19 childhood development; is that what you  
20 have?

21 MS. BEL:

22 For PCDI, it's called child care  
23 development, but it's not -- I can't go  
24 teach at elementary or anything.

25 MR. AVANT:

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1 Do you have a screening process for  
2 employees?

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MS. BEL:

Yes, sir, I do. I do a background check. They have to take a drug test. They do two different interviews. I call their references, and then I let them come in after their background check and drug test is done, and I supervise them with the children for three or four days before they could start.

MR. REINE:

Explain to me the process. She went to the bank to get a loan and the bank's asking us to do the loan?

MR. VEILLON:

Yes, sir.

MR. REINE:

Is there a reason the bank didn't take the loan itself?

MR. JONES:

Yes. As far as -- I guess, maybe the quality of -- she had -- her and her husband had a few credit issues that we wanted to address, and the bank -- the land, they put

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the land up -- her mother owned that free and clear, so we used that as part of the equity. We usually require 20 percent, but the situation, we wanted 15 percent. So I guess the equity position is not as high as we want it to be in both situations. So the bank just felt in this situation if we can

8 get a guarantee, we would feel more  
9 comfortable. So, anytime you can get a  
10 guarantee and you can get one, we obviously  
11 would want one, you know. If not then...

12 In this situation, we would definitely  
13 like to have something if we could.

14 MR. REINE:

15 And, Mr. Veillon, the numbers work as  
16 far as generating the income to...

17 MR. VEILLON:

18 Yes, sir. It's very conservative, we  
19 feel, for the projections.

20 MR. COTTEN:

21 Brandy, you stated to me that you're  
22 actually turning away applicants; you need  
23 more room?

24 MS. BEL:

25 Yes, sir. The building that I'm in

25

1 right now, my rooms are very small. We have  
2 to have 35 square feet per child in each  
3 room, and they're really small, so I have  
4 staff that's only keeping six when they can  
5 keep twelve kids. So I can only have 27 in  
6 the building that I'm in, and I have a  
7 waiting list of 55. I get phone calls every  
8 day for kids and I just don't have the room  
9 to put them.

10 MR. ROY:

11 That's a good problem.

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MR. JONES:

This is going to be brand new. Like she said, there's only one other daycare facility in the area, and she's going to increase her capacity as far as children, but her overhead is not going to change that much because right now the facility's business is not that big. So it's going to be -- if you look at the numbers, I mean, it's going to improve as far as her -- she's going to increase her revenue and overhead, and her expenses are not going to increase by that much.

MR. ROUSSEAU:

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Is capacity going to increase, too?

MR. JONES:

As far as the children, she can have 77 with the new facility, and her employees, she's going to have to get a couple more, so her overhead is not going to change a whole lot.

MS. FERRO:

I have a question. The term of the loan is for how long?

MR. VEILLON:

Five years for the guarantee.

MS. FERRO:

Right. And what's the term of the bank loan?

MR. JONES:

17           At the bank, we developed a 20-year loan  
18           for -- anywhere between 15 to 20 years is  
19           the life of the loan.

20           MS. FERRO:

21           And the guarantee falls off after five  
22           years?

23           MR. VEILLON:

24           Yes. That's typically what we do, three  
25           years with a line of credit, five years

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1           on the term loan.

2           MR. COTTEN:

3           what's the rate on that loan?

4           MR. JONES:

5           we would write that at prime plus two,  
6           two and a half percent.

7           MR. COTTEN:

8           That's a good price.

9           I think we got an entrepreneur here. I  
10          move to set.

11          MR. ROY:

12          Motion to approve, it has been  
13          presented.

14          MR. REINE:

15          Second.

16          MR. ROY:

17          Second. Any other discussion or  
18          comments?

19          (No response.)

20          MR. ROY:

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Any comments from the public?

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(No response.)  
MR. ROY:  
All in favor "aye".  
(Several members responded "aye".)

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MR. ROY:  
All opposed "nay".  
(No response.)  
MR. ROY:  
No objections.  
Congratulations. Thank you, Ms. Bel.  
We wish you the very best.  
MR. VAILLON:  
Thank you very much for your time.  
MR. ROY:  
Ms. Blankenship, Treasurer's Report.  
MS. BLANKENSHIP:  
The Secretary Treasurer's Report as of  
January 21st, 2011, our budget --  
MR. ROY:  
Kathy, is the microphone on?  
MS. BLANKENSHIP:  
The Secretary Treasurer's Report as of  
January 21st, 2011, our budget on the  
general progression side \$1,000,000.  
Expenditures to date \$486,647, for a balance  
of \$513,353. The project today for the  
daycare is \$61,650 for a balance of  
\$451,703.  
EDAP Program, our budget is \$12,785,658.



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1 Previous project approved \$2,980,000, for a  
2 balance of \$9,805,658. Today's project  
3 approved for Smucker's is \$500,000,  
4 remaining balance is \$9,305,658.

5 And going to the Fund Balance Page, the  
6 revenue estimated conference met last  
7 week --

8 MR. ROY:

9 We have a question.

10 MR. REINE:

11 On that page, number F, that \$500,000,  
12 that's not the same project?

13 MS. BLANKENSHIP:

14 No.

15 MR. REINE:

16 That's the one that's under review?

17 MS. BLANKENSHIP:

18 Right. If we have a project in-house  
19 that's being considered, then it may not  
20 have come to fruition. It may be a  
21 confidential project, but we know about it,  
22 so I think there's -- I can't remember which  
23 one this one is. It might be --

24 MR. REINE:

25 It's not the same project?

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1 MS. BLANKENSHIP:

2 No. I know which one it is, but I'm not

LEDC BOARD MEETING - Vol. I.txt  
3 sure if it's confidential or not.

4 MR. REINE:

5 I understand.

6 MS. BLANKENSHIP:

7 Okay.

8 Going to the Fund Balance Page, revenue  
9 estimating conference met and they did not  
10 change the current revenue estimate for the  
11 fiscal year '11 or '12 at this time, but  
12 they will wait to regroup, I think, in  
13 around March -- March or April. So the  
14 revenue estimate did change, so we didn't  
15 change the projection, and the vendor comp  
16 revenue is on target. So I feel confident  
17 that revenues, you know, that we will have  
18 sufficient -- the revenues that are  
19 projected, that will be okay. And so the  
20 remaining balance projected for June 30th of  
21 '11 is \$835,017.

22 MR. COTTEN:

23 You have June 30, '10 on the report.

24 That should be '11.

25 MS. BLANKENSHIP:

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1 Oops. Yes, sir. Well, see the column  
2 for 9/10 actual?

3 MR. COTTEN:

4 I got you.

5 MS. BLANKENSHIP:

6 It's kind of...

7 MR. COTTEN:

8 I understand. You're on the very right  
9 column.

10 MR. ROY:  
11 Any other questions or comments?

12 MR. REINE:  
13 Motion to accept the report.

14 MR. ROY:  
15 Motion to accept the Treasurer's Report.

16 MR. COTTEN:  
17 Second.

18 MR. ROY:  
19 Second. Any discussion, any comments  
20 from the public?

21 MR. VEILLON:  
22 No, sir.

23 MR. ROY:  
24 All in favor "aye".  
25 (Several members respond "aye".)

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1 MR. ROY:  
2 All opposed "nay".  
3 (No response.)  
4 MR. ROY:  
5 without objection due to the public.  
6 Mr. Smith is unable to present the  
7 accounting report, and Mr. Manning is not  
8 quite ready to discuss the BIDCO, so both of  
9 those items will be deferred. And  
10 Mr. Grissom will give us the President's  
11 Report.

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Thank you, Mr. Chairman. Thank you, Board Members. Great to see you here this new year.

One of the interesting things for the Department is that we operate on a fiscal year, that is not along with accounting years. We do a lot of year-end reporting. Multiple times a year, we have a fiscal year report. We have a calendar year report. What I want to do today is show you a calendar year report for 2010. Each of you should have a handout. This is something that we share publicly as the year wrapped

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up, and in the coming days, we'll actually add appendices to this six-page document with all of the activity levels associated with the miscellaneous programs across the department, anywhere from 30 to 40 programs. So we're about to wrap up that full report here in the coming days. But this six-page executive summary provides a nice overview of activity for 2010, and I just wanted to point out a number of things to our board members and I want to encourage you to read this. It covers a number of the, I guess, major accomplishments of the department. We've got a great team in the department, a lot of hard work, and I think it speaks very highly of the efforts of the

17 LED team in what we've been able to  
18 accomplish despite some very significant  
19 challenges that the State has faced.

20 Just a few items, one -- if you just  
21 follow the bold text, in 2010, dozens of  
22 companies announced expansions or  
23 relocations, launching projects that were  
24 estimating to create over 18,000 new jobs,  
25 \$5.5 billion in new capital investment and

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1 \$58,000,000 per year in new State tax  
2 revenues.

3 In addition, these projects are  
4 estimated to create billions of dollars of  
5 new sales for small businesses across the  
6 state. So we're very excited about the  
7 projects that we've seen, like the Folgers  
8 project that we just discussed, amongst  
9 those projects.

10 Additionally, we were -- if  
11 you just follow along the bold text -- a  
12 number of national publications -- again, we  
13 try to follow how national publications are  
14 viewing the State and the Department's  
15 performance. We're happy to say Louisiana  
16 was ranked State of the Year; the Department  
17 was ranked as the second best State Economic  
18 Development Organization in the U.S. Our LED  
19 FastStart program was ranked -- again, this  
20 is by outside publications -- as the Best

LEDC BOARD MEETING - Vol. I.txt  
21 State Workforce Training Program in the  
22 U.S., and Louisiana Business Climate was  
23 identified as the Most Improved in the U.S.

24 So a number of national publications  
25 noting the State's performance and provide

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1 that recognition. These are recognitions  
2 that we are using very actively in our  
3 national marketing efforts. Any time we are  
4 in conversations with business leaders who  
5 are outside of the state who aren't familiar  
6 with Louisiana, we use this as point of  
7 validation, and it really does help in  
8 getting that message and helping to create a  
9 believable message when we're talking  
10 about the great things happening in the  
11 state and business climate that we think can  
12 help a number of these companies be  
13 successful long-term.

14 So with that, I will end my remarks, but  
15 I do encourage you to read through that. It  
16 has a lot more details, and I'm very proud  
17 of the LED team's efforts this year, and I  
18 certainly want to thank you as board members  
19 for your contribution in being a part of  
20 the success that we've seen. So thank you.

21 MR. COTTEN:

22 Mr. Deputy Secretary, who are we chasing  
23 for the number one position?

24 MR. GRISSOM:

25 We're definitely hoping that we're

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1 number one next year. To be honest, this  
2 ranking came out in the summer. I cannot  
3 remember --

4 MR. COTTEN

5 Okay.

6 MR. GRISSOM:

7 -- who was number one, but we will find  
8 that out and --

9 MR. REINE:

10 Congratulations on the award. That's  
11 great.

12 MR. GRISSOM:

13 I really appreciate that.

14 MR. REINE:

15 State number two was --

16 MR. GRISSOM:

17 We'll get to the bottom of that number  
18 one position.

19 MR. REINE:

20 Number one.

21 MR. ROY:

22 Any other business, small business,  
23 credit investments?

24 Ms. Guess.

25 MS. GUESS:

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1 Good morning. This is just an FYI to  
2 let you know of something that's on the

3 horizon that LEDC and the Department will be  
4 involved in -- we hope to be involved in in  
5 the next couple of months.

6 Back in September of 2010, the Obama  
7 Administration signed into law the Small  
8 Business Job Act of 2010, and under this  
9 Act, they created a small business credit  
10 initiative entity which will -- has been  
11 funded with about \$1.5 billion of  
12 Federal dollars that are going to be  
13 trickling down to all 50 states or those  
14 that have applied will be awarded these  
15 funds to strengthen the State's lending  
16 programs to assist small businesses  
17 nationwide. This was legislation that was  
18 headed by Senator Mary Landrieu, and I think  
19 Mr. Roy was in Washington during the time  
20 when this was being proposed.

21 This has come down, and LED has taken  
22 the steps to notify the treasury that we  
23 intend to apply for those funds. The  
24 allocations have been designated by the  
25 treasury using a formula for all of the 50

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1 states based on each state's job loss, and  
2 the evident number of losses overall to  
3 Louisiana's allocation will be about  
4 \$13,000,000.

5 As we were approaching the timeframe to  
6 file for a Notice of Intent, we were looking  
7 to see if there were any strings attached,



8 what will be the ramifications and what  
9 exactly we would have to do. well, so far,  
10 we found no strings as of yet, but we're  
11 cautiously optimistic of that as we go  
12 forward. But we did back in November with  
13 the Secretary's permission, we filed a note  
14 of intent to the Treasurer that we intend to  
15 file an application for these funds. The  
16 LEDC involvement will be as we finalize the  
17 programs that might be utilized will be for  
18 additional -- for programs that we already  
19 have under our purview that we might use to  
20 leverage the dollars. Probably the only  
21 string right now is that for each dollar of  
22 that we receive, that each state receives,  
23 you have to leverage it 10 to one. So  
24 that's what's creating the challenge right  
25 now, to look to see in our option of

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1 programs that we currently administer, how  
2 we might be able to utilize those programs  
3 to satisfy that leverage.

4 we have looked at tentatively the  
5 Capital Access Program, which is a program  
6 that we have on the books. That's been on  
7 there since 1998, 1999; however, it was not  
8 put into force because of our lack of being  
9 able to solicit the involvement from the  
10 banking community. We have had a meeting  
11 with several individuals from inside of LED,

12 outside with the banking community and we  
13 intend to continue to have dialog with  
14 members of the board. I've spoken with A.J.  
15 and with Robert Stuart recently to see how  
16 and if a CAP Program will actually work for  
17 Louisiana and the planning at the planning  
18 meeting that we had with the involvement  
19 from individuals from the Louisiana Banking  
20 Association and also for Martin Johnson,  
21 who's President of Regions Bank in Louisiana  
22 to hear from the banking side what would be  
23 the encouraging factor to have banks  
24 involved in a CAP Program. That is still  
25 the question that still is to be answered.

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1 Other programs that we're looking at our  
2 loan -- our Small Business Loan Program,  
3 possibly the participation aspect of that,  
4 the Guarantee Program and possibly  
5 revisiting the Linked Deposit Loan Program,  
6 which is basically a program that actually  
7 belongs to the State Treasurer John  
8 Kennedy's office, to see how we might be  
9 able to leverage dollars.

10 One of the things that we're not under  
11 any immediate time constraints except for  
12 the fact that June 28th is the deadline that  
13 all states must submit their applications to  
14 the U.S. Treasury to let them know how we  
15 intend to use those funds, and then we have  
16 to prove in our application that that

17 leverage of 10 to one can actually be  
18 accomplished. That's a work in progress.  
19 we were looking at the possibility of having  
20 a policy committee meeting in the  
21 upcoming -- probably this month, but  
22 speaking in form, Mr. Avant, that there  
23 might be some tweaking of our existing  
24 program should we decide to go forward with  
25 developing our strategy for utilizing the

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1 program for the federal dollars. It might  
2 involve just looking at and making some  
3 modifications to our existing programs.  
4 One of the other programs that are  
5 serviced recently have been possibly to  
6 revisit our venture capital co-investment  
7 program. That would probably give us an  
8 advantage of assisting in that leveraging of  
9 10 to one. The upside of this is that  
10 whatever programs that we utilize we will be  
11 assisting small businesses state-wide and  
12 they have to have under 500 employees. The  
13 dollars that will be used in these programs  
14 successfully to the businesses and say, for  
15 example, either through a co-investment or a  
16 loan or a loan anticipation, once those  
17 credits are paid back to the coffers back to  
18 the State, the State gets to keep those  
19 dollars to reuse in those programs. So far  
20 that's the upside.

21 And the dollars will be given in thirds.  
22 I think our first allocation might be about  
23 4.3 million. Once you've either expended or  
24 shown the ability or have obligated that  
25 first third, then you can request from

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1 treasury through your next phase.

2 Just as recently as last Friday the  
3 Treasury, the U.S. Treasury has been very,  
4 very supportive. All of the states are  
5 trying to figure out how we are going to do  
6 it. Thus far, only two states have been  
7 awarded their funding. North Carolina and  
8 Michigan were awarded their state dollars a  
9 couple of weeks ago. They apparently have  
10 utilized some of their existing programs.  
11 They had it all figured out, and it's not an  
12 application where you've got a right answer  
13 or a wrong answer, but Treasury is still  
14 getting together a lot of the guidelines  
15 that they are passing down to us, and they  
16 have offered to assist anyone to come in and  
17 take look at what you are proposing. So  
18 they are giving very good guidance. Some of  
19 the details are slow coming out of  
20 Washington, but as we get them, we are  
21 constantly holding webcasts and webinars to  
22 alert us as to what changes and expectations  
23 may be from us. So it's a work in progress.

24 We are hopeful that within the upcoming  
25 weeks that we'll be able to have a

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1 conversation with our two banking board  
2 members and if anyone else would care to  
3 join us, we have to be careful not to have  
4 three or more to constitute a quorum, but we  
5 have reached out both to A.J. and to Robert  
6 to give us some guidance on how we think  
7 from the banking community what might be  
8 those things that would be might -- most  
9 attractive, where we might need to target  
10 our efforts and to look at our programs to  
11 see where we could either benefit from  
12 tweaking what we already have. The  
13 beautiful part about the LEDC legislation is  
14 that we have the ability, should we see fit  
15 as a board, to create additional programs  
16 that might work. So although it sounds  
17 like, you know, June is far away, but when  
18 we get involved in the legislative process  
19 in the next couple of months, then things  
20 tend to slow down a little bit with the  
21 State. But right now everyone's excited  
22 about it and those that we have reached out  
23 to from outside of LED to give us the  
24 benefit of their expertise and their  
25 knowledge to help us craft this plan as we

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1 go along have been very excited and we are  
2 happy that everyone has agreed to assist us.

LEDC BOARD MEETING - Vol. I.txt  
Any questions? I hope I have some

answers.

MR. ROY:

Very good. We look forward to it.  
Sounds promising. Is it time to have a  
policy committee meeting next month or --

MS. GUESS:

I think it's still a little bit  
premature. Maybe if we can get together,  
you and Rick and I and Kristy with Robert  
Stuart to maybe look at what to try to  
development a plan and take it back to our  
upper management to see how it might work,  
then we may have to have something that  
might come back to the -- to a policy  
committee.

Also, Mike Williams is also on our  
internal committee and Mike will be working  
with us as well to assist us in crafting  
some of the ideas that we -- are being  
flushed out right now.

MR. COTTEN:

I think the 10 to one leverage is a

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pretty strong leverage to me. If you do  
decide to go the VC route, we have not done  
VC since I've been on the board, just please  
revisit those policies again.

MS. GUESS:

Oh, absolutely.

MR. COTTEN:

8 But again, that might be the answer to  
9 your 10 to one leverage.

10 MS. GUESS:

11 Right.

12 MR. COTTEN:

13 Thank you.

14 MR. ROY:

15 what's the possibility of being able to  
16 count money that we've already put out?

17 MS. GUESS:

18 It would have all have to be under this  
19 new funding. It's like starting over again.

20 MR. AVANT:

21 I was thinking this 10 to one, is  
22 there a penalty if you don't?

23 MS. GUESS:

24 No. Not that I know of right now.

25 MR. ROY:

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1 Good question.

2 MR. ROUSSEAU:

3 That's a real good question.

4 MR. ROY:

5 Do they put board members in jail?

6 MS. GUESS:

7 No, no they don't put you in jail. Once  
8 you're approved for the allocations and  
9 these things are evolving from treasury.  
10 And on the webinar, you'll be surprised,  
11 some of the questions that, you know, we

12 get. They come from the listening audience.

13 You don't make your benchmark, then, of  
14 course, they take the money back, you know.  
15 But if you're able to meet your 10 to one  
16 and get your dollars out there, then it  
17 comes back to you. You get to keep it. But  
18 if it's totally not used, then the Feds say  
19 "well, hey, good try."

20 The other thing is that should, say, for  
21 example, if we're not able -- which I think  
22 I'm -- I know that we will be able to come  
23 up with a plan to submit to get our  
24 dollars -- that local municipalities have  
25 the ability to ask for that funding should

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1 the State not be able to get the funding.  
2 So I don't see us not being able to do that.  
3 It's just going to take a collective effort,  
4 lots of heads together to see exactly how we  
5 anticipate doing that.

6 MR. REINE:

7 Did you look at the models of the two  
8 states that are already approved?

9 MS. GUESS:

10 We are looking at that now. In fact,  
11 the gentleman from North Carolina, I got him  
12 on my calendar to give him a call because  
13 the main thing that we are trying -- would  
14 want to find out is what character did you  
15 use to get the banking community involved in  
16 the CAP Access Program, and that was one



17 that was mentioned early on as a preference  
18 of Secretary Moret that would like to see us  
19 presume. But we've got to have the banking  
20 community involved.

21 We're going to follow that to see what  
22 can take place, if there can be some  
23 involvement. And if this proves not to be,  
24 then we'll have to go on to phase -- to plan  
25 B. Then we're probably going to have A

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1 through about F as we go along.

2 MR. COTTEN:

3 I have a comment. The Angel Investment  
4 Program is out now. It's no longer in the  
5 books. Would you leverage this on the Angel  
6 Investment Program, where a 10 percent  
7 credit is allowed for those investors and  
8 let the revenue run it, or -- I'm just  
9 thinking out loud, you know.

10 MS. GUESS:

11 Good thought.

12 MR. COTTEN:

13 Instead of VC -- that is a form of VC,  
14 but we're not in it, you know. I don't know  
15 how to get that money back. I don't know.  
16 I'll let y'all figure that out. I'm just  
17 talking about a leverage here.

18 MS. GUESS:

19 I don't know.

20 MR. ROY:

21 Since we get to keep the money that we  
22 have that they give us once returned --  
23 MR. REINE:  
24 Only if you met the 10 percent. You  
25 have to meet all of the requirements to keep

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1 the money. When do you get to repay it?

2 MS. GUESS:

3 When the money gets repaid -- well, when  
4 you get it out, you -- hopefully you have  
5 the combination of your leverage, and then  
6 when its returned, then it's yours.

7 MR. REINE:

8 If you don't meet the leverage  
9 requirements, then when it's paid back, you  
10 have to give it back to the Feds?

11 MS. GUESS:

12 No. The unexpended portions of the pile  
13 of money that you don't use, you give back.

14 MR. COTTEN:

15 So it's like a loan. I've got to get  
16 some money coming back, so the Angel  
17 Investors I don't think would work.

18 MS. GUESS:

19 So this is something that it just all  
20 depends because there's a three-year time  
21 period that you've got to get this money  
22 out. It's not like you get it in  
23 June and you have it out in December.  
24 You've got a three-year window in order to  
25 accomplish that. So they're giving you

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1 time.

2 MR. ROY:

3 Let me make sure I understand. You're  
4 saying that to come up with a program, we  
5 put the money out, it comes back as per the  
6 terms of the program, we get to keep that  
7 money?

8 MS. GUESS:

9 That's correct.

10 MR. ROY:

11 To what extent can we try to convince  
12 our legislative friends that this is really  
13 a fantastic opportunity and we can get some  
14 money back, we can give it back to the  
15 State if we can sell them on that idea.  
16 That or maybe we can --

17 MR. REINE:

18 Is this a --

19 MR. ROY:

20 -- get some help on the --

21 MS. GUESS:

22 Are you talking about when the money  
23 comes back to our conferences?

24 MR. ROY:

25 Take full of advantage of as much of the

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1 money that is available and get as much as  
2 we can from the program.

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3 MS. GUESS:

4 well, I've had conversations and I've  
5 alerted KC that this would possibly happen  
6 and that we will have to be -- we may have  
7 to look at some of the fiscal consequences  
8 of what happens. The concern might be is  
9 that once those dollars start coming back to  
10 us is how do we safeguard it to utilize in  
11 additional programs without it being  
12 something that's going to be used for other  
13 purposes by our legislature.

14 So these are all, you know, questions  
15 that we don't have answers right now; but as  
16 we go along, we will -- you-all will be  
17 engaged quite extensively as we go forward,  
18 and we'll keep you posted.

19 Any ideas that you would like to have,  
20 any input into the plan, you're welcome to  
21 it and we'll make it available for you to  
22 join us either by conference call or send us  
23 an e-mail when we get out of the meeting to  
24 look at what we have before we bring it back  
25 to the body.

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1 MR. ROY:

2 Anyone else? Any other business?

3 MR. REINE:

4 Motion to adjourn.

5 MR. ROY:

6 Motion to adjourn.

7 MR. ROUSSEAU:

8                   Second.  
9           MR. ROY:  
10                  Second.  
11                  All in favor "aye."  
12                  (Several members responded "aye.")  
13           MR. ROY:  
14                  All opposed "nay".  
15                  (No response.)  
16           MR. ROY:  
17                  Adjourned.  
18                  (Meeting adjourned at 10:37 a.m.)  
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1 STATE OF LOUISIANA:  
2           This verification is valid only for a transcript  
3 accompanied by my original signature and original blue  
4 seal on this page;  
5           I, Elicia H. Woodworth, Certified Court Reporter  
6 in and for the State of Louisiana, as the officer before  
7 whom this testimony was taken, do hereby certify that  
8 the witness, to whom oath was administered, after having  
9 been duly sworn by me upon authority of R.S. 37:2554 did  
10 testify as hereinbefore set forth in the foregoing  
11 pages;

12           That this testimony was reported by me in the  
13 stenotype reporting method, was prepared and transcribed  
14 by me or under my personal direction and supervision,  
15 and is a true and correct transcript to the best of my  
16 ability and understanding;

17           That I am not related to counsel or to the  
18 parties herein, nor am I otherwise interested in the  
19 outcome of this matter.

20           Baton Rouge, Louisiana, on this date \_\_\_\_\_.

21

22

\_\_\_\_\_

23

Elicia H. Woodworth, CCR

24

Certificate No. 27014

25