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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 18th DAY OF MARCH, 2011
COMMENCING AT 9:41 A.M.

REPORTED BY: ELICIA H. WOODWORTH, CCR

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- 1 Appearances of Board Members Present:
- 2 A.J. Roy
- 3 Jay Rousseau
- 4 Steven Grissom
- 5 Alden Andre
- 6 Thomas Cotten
- 7 Harry Avant
- 8 Bal Sareen
- 9 Robert Stuart, Jr.
- 10
- 11 Staff members present:
- 12 Daria Vinning
- 13 Brenda Guess
- 14 Clark Forrest
- 15 Randy Veillon

16 Kristy McKearn
17 Rick Broussard
18 Seth Brown
19 Darrel Manning

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21
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0003

1 MR. ROY:
2 Call to order the Board of Directors
3 Louisiana Economic Development Corporation.

4 Roll call please.

5 MS. VINING:

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 MR. ANDRE:

16 Here.

17 MS. VINNING:

18 Steven Grissom.

19 MR. GRISSOM:

20 Here.

21 MS. VINNING:

22 Shelly Ferro.

23 (No response.)

24 MS. VINNING:

25 Mike Saucier.

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1 (No response.)

2 MS. VINNING:

3 Bal Sareen.

4 MR. SAREEN:

5 Here.

6 MS. VINNING:

7 Thomas Cotten.

8 MR. COTTEN:

9 Here.

10 MS. VINNING:

11 Harry Avant.

12 MR. AVANT:

13 Here.

14 MS. VINNING:

15 Louis Reine.

16 (No response.)

17 MS. VINNING:

18 Robert Stuart.

19 MR. STUART:

20 Here.

21 MS. VINNING:

22 Eight out of 11 members. We have a
23 quorum.

24 MR. ROY:

25 Very good.

0005

1 I'll ask everyone to please silence your
2 cell phones.

3 We have the minutes of the February 18th
4 board meeting before us. Any additions or
5 corrections?

6 MR. STUART:

7 Motion for approval.

8 MR. ROY:

9 Motion for approval has been presented.

10 MR. COTTEN:

11 Second.

12 MR. ROY:

13 Second by Mr. Cotten.

14 Any discussion?

15 Hearing none.

16 All in favor say "Aye."

17 (Several members responded "aye.")

18 MR. ROY:

19 All opposed "nay."

20 (No response.)

21 MR. ROY:

22 Without objection.

23 On the small business loan program, Mr.

24 Veillon, Aeroframe Services, LLC.

25 MR. VEILLON:

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1 Morning, Mr. Chairman, Members of the
2 Board.

3 We have a request today, from Jeff Davis
4 Bank for Aeroframe Services' request for a
5 revolving line of credit. For a
6 three-million-dollar loan, the guarantee
7 would be a 50-percent guarantee for 1.5
8 million dollars.

9 Mr. Long would like to say a few words
10 about the company and just give you a brief
11 overview of the recent past and current
12 conditions.

13 MR. LONG:

14 Okay. Thank you, Randy.

15 Yeah, if I could just give you a quick
16 overview. I know you have a review packet,
17 kind of little synopsis, if I could just put
18 a little bit behind that.

19 Aeroframe, like a lot of other
20 companies, just came to general terms and
21 started sometime in '09, '09 timeframe,
22 the -- in '10, we really started to, I'll
23 say really -- actually did very well as far
24 as getting some backlog. We won a major
25 contract with US Airways in the fourth

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1 quarter of 2010. FedEx, which is our
2 largest customer, basically tripled our
3 work and backlog for us. What happened in
4 '08 and '09 with the recession is that all
5 of the major airlines basically postponed or
6 deferred as much maintenance as they could.
7 They tried to do the safety of flying with
8 the most critical of maintenance; everything
9 else they deferred. Mainly they parked a
10 lot of airplanes, and that made a lot
11 of news. Well, a lot of MROs, and MROs
12 being aircraft maintenance companies, hurt
13 just like airlines. So, anyway, by the
14 first quarter of 2010, in fact, about a year

15 ago, the airlines started getting a little
16 bit healthier after they kind of tripled
17 their capacity. They basically deferred all
18 of the maintenance as they could for as long
19 as they could. So by this time last year
20 FedEx, US Airways and all of the airlines
21 basically, you know, like I said, deferred
22 as much as they could and they started to
23 bring their planes back down to maintenance
24 and putting them in for maintenance, heavy
25 maintenance.

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1 So, anyway, about a year ago, before
2 this started, we had actually had about 165,
3 170 employees. As of today, we have 400
4 direct employees and another 150
5 contractors. So we have right around 550 to
6 560 total employment, and we've grown that
7 in the last year. So the growth has been
8 outstanding. The backlog with FedEx and US
9 Airways has been outstanding. They're very
10 happy with the work we're doing. The future
11 looks bright. We've signed a five-year
12 contract with FedEx. We just signed a
13 three-year contract with US Airways. We
14 hope to continue and renew both of those
15 contracts. We've also got a contract with
16 Frontier Airlines. So we've managed to get
17 in front of a lot of major airlines.

18 Right now, we're about 550. We are
19 trying -- quite frankly, we moved so fast,
20 it really put a cash -- put us in a little
21 bit of cash crunch, quite frankly, upon the
22 growth. When you triple your workforce in a
23 year, obviously, you know, it puts more
24 demand on inventory, training costs,
25 relocation, just everything you can think

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1 of, computers, you name it when you're
2 trying to grow a company so fast.

3 So with this line of credit,
4 what we're trying to do is move this and
5 this credit or this relationship what Jeff

6 Davis is basically doing is giving us more
7 flexibility and cash flow as we continue to
8 grow. Right now, between Frontier and US
9 Airways and FedEx, the existing customers,
10 if we don't get another customer or have no
11 more sales efforts, with the current
12 backlog, we feel like at this capacity, the
13 facility at Chennault and the capability of
14 Chennault as well as backlog to get the
15 employment up to right around 1,000
16 employees, 1,200 employees over the next
17 three years. That's the potential, and
18 there's very little funds.

19 Realistically, I don't think we can grow
20 it that fast and keep the cost under
21 control and keep that size of a workforce.
22 And one thing, we can't let quality
23 sacrifice. So our plan is -- I'm not sure
24 if it's mentioned in the briefing or not,
25 but our plan is to continue to grow about

0010
1 100, 150 per year until we basically maxed
2 out, which I think will be around 1,000,
3 1,200 employees in about three years. So we
4 are in the middle of a growth. It's quite a
5 turnaround. We are very pleased.

6 The State LED has done an excellent job
7 over the years in giving us an open hand and
8 hopefully it's a good example of something
9 that's paid off and proved to be beneficial
10 for both of us and we're very happy about
11 it and look forward to hopefully continue
12 on.

13 MR. VEILLON:

14 Thanks. Also, Ms. Laurie Mitchell, who
15 is the banker, personal lender, vice
16 president of Jeff Davis Bank just wanted to
17 reassure the board. You know, we've done
18 business with Jeff Davis Bank. It's a good
19 quality bank, and this receivable line of
20 credit is going to be lockboxed at an annual
21 percent ratio and we feel confident with it
22 and we recommend the guarantee.

23 MR. ROY:
24 Questions, comments?
25 MR. SAREEN:

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1 I have one question. Would the size of
2 the company you're looking at turn over by
3 73 percent, or did I read that wrong?

4 MR. VEILLON:

5 As far as sales, annual sales?

6 MR. SAREEN:

7 Right.

8 MR. LONG:

9 This year we're looking about 60 million
10 this year for budget.

11 MR. SAREEN:

12 So 2010 line of credit is a very small
13 amount. You're going to be getting paid in
14 41 days. The turn around payable is 41
15 days?

16 MS. MITCHELL:

17 Forty-one days.

18 MR. SAREEN:

19 And you're trying to do 60 million
20 dollars to the length of --

21 MS. MITCHELL:

22 We may have to increase that later, and
23 we've already had discussions about that,
24 but this -- right now, they're dissatisfied
25 with the bank that they are currently

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1 banking with in Memphis, and because of the
2 turnaround they have. Also, the thing that
3 Mike did not mention that impressed us is
4 they actually put the plane until -- it's
5 almost like collateral because they hold the
6 plane until the invoice is paid.

7 One of the characteristics of Aeroframe
8 is their quick turnaround, and that's why
9 they've been attracting new business. So we
10 went out and visited the facility, a couple
11 of board members also came out and it was
12 very impressive, the operation that they
13 run. And I understand that you're saying

14 you're going to outgrow that pretty quickly
15 and I think they realize that, too, and we
16 may be back.

17 MR. SAREEN:

18 And it looks like he should be asking
19 three times more than this.

20 MR. LONG:

21 Thank you, sir.

22 MR. MITCHELL:

23 We're going to try.

24 MR. SAREEN:

25 Thank you.

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1 MR. COTTEN:

2 I have a question. I know the term
3 "aeroframe," is that --

4 MR. LONG:

5 That's correct.

6 MR. COTTEN:

7 -- indicative of the maintenance of the
8 aeroframe?

9 MR. LONG:

10 Yes. That's correct.

11 MR. COTTEN:

12 No machine or no engine?

13 MR. LONG:

14 No. That's correct. It's basically
15 aero frame maintenance. We don't deal in
16 engines. We inspect engines and some other
17 components of the aircraft, but it's
18 basically aero frame. That's correct.

19 MR. COTTEN:

20 In engine maintenance as in hours or
21 time, aero frame, is there specifics in
22 airline industry of maintenance of an
23 airplane or airplane certification?

24 MR. LONG:

25 You mean on qualifications? I'm sorry.

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1 Or maintenance?

2 MR. COTTEN:

3 Maintenance on the engine is mandatory
4 within certain times, hours flid or time.

5 MR. LONG:

6 Yes.

7 MR. COTTEN:

8 I'm just wondering about aero frames.

9 MR. LONG:

10 Basically -- and I'll do this quickly.

11 An airplane is kind of like a car. You have
12 to have oil changes, belts changed, timing,
13 you know, every certain miles. An airplane
14 is the same way. The aero frame, just like
15 the engines, and like landing gears, all
16 have different time cycles, so what's
17 happened is a lot of these airlines during
18 the recession, they just aren't used a lot
19 and didn't put a lot of miles, if you will.
20 And so now, the economy is picking up, their
21 usage is picking up, they're starting to
22 time out a lot faster. On average, it's
23 about every 16 to 18 months they bring an
24 airplane down for heavy maintenance. That's
25 basically bringing a plane in, you basically

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1 pull it up, look for corroding, preventive
2 maintenance, obviously.

3 So any airplane you're flying in has
4 been through a heavy check probably no
5 later than every 18 months.

6 MR. COTTEN:

7 That's what I was asking. Thank you.

8 MR. AVANT:

9 Avionics, you do that?

10 MR. LONG:

11 Yes, sir. You sound familiar with
12 aviation.

13 MR. AVANT:

14 I have a Pilatus PC-12, so...

15 MR. LONG:

16 Okay.

17 MR. AVANT:

18 I have to do all of that. So you get
19 work, send an invoice --

20 MR. LONG:

21 Correct.

22 MR. AVANT:
23 -- it's paid to the lockbox. It's
24 pretty simple. I don't see why we don't --
25 MS. MITCHELL:

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1 It's pretty simple. Let me just
2 reiterate that had this been a capital
3 improvement, we probably wouldn't even look
4 at it. You know, they're good receivables.
5 They're good companies. The caution there
6 would be that there's two major ones, maybe
7 three.

8 MR. LONG:

9 Right.

10 MS. MITCHELL:

11 But these are well-known companies.
12 You've never had losses so far.

13 MR. AVANT:

14 And you have the airplane.

15 MS. MITCHELL:

16 He has the airplane. We don't want the
17 airplane.

18 MR. LONG:

19 I'll be honest with you, we stay away
20 from typically bad relationships. We
21 typically don't get to the point where we
22 have to hold an airplane. You know, we do
23 foreign receivable because we do work --
24 we've done work for foreign countries,
25 Turkey, Vietnam, England. Any planes that

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1 come in overseas for maintenance, yeah, we
2 cash upon delivery, just like a car when you
3 pull it out of the shop.

4 MR. COTTEN:

5 One more.

6 MR. LONG:

7 Yes.

8 MR. COTTEN:

9 I'm a big advocate of Chabert Air Force
10 Base, that seems to be a great place for
11 your operation.

12 MR. LONG:

13 It is. It absolutely is, and I think
14 LEDC should really take a lot of credit for
15 this. I've seen board members -- I don't
16 know how you get on the board, but I know
17 the last 20 years Chennault has been
18 constantly improved over the years and
19 customers and our competitors, you know,
20 that have come to our facility to look at
21 our facility, they all assure us that it is
22 a world-class facility and is a great
23 facility and the State really should be
24 proud of it because it is well known
25 throughout the US.

0018

1 MR. ROY:

2 I'm curious. In the flight engineering
3 business, the mechanic will get to determine
4 if an aircraft is airworthy. Do you get to
5 determine that as well in the commercial
6 business?

7 MR. LONG:

8 Yes, we do on a private airplane; that's
9 correct. We usually have a mechanic that
10 reviews the airplane, signs an airworthiness
11 or an annual; right. Basically, the same
12 thing on commercial airplanes. We may have
13 110 commercial airplanes. The chief
14 inspector or somebody will basically review
15 everything and sign off on an airworthiness.
16 There is an airworthiness on a commercial
17 airplane, just like a private airplane;
18 that's correct.

19 MR. ROY:

20 They give you great power.

21 MR. LONG:

22 I get paid. Is that what you're...

23 MR. AVANT:

24 I make the motion we approve.

25 MR. STUART:

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1 Second.

2 MR. ROUSSEAU:

3 Second.

4 MR. ROY:

5 Motion to second.

6 Any discussion?

7 (No response.)

8 MR. ROY:

9 All in favor "aye."

10 (Several members responded with "aye.")

11 MR. ROY:

12 All opposed "nay."

13 (No response.)

14 MR. ROY:

15 Any comment from the public?

16 (No response.)

17 MR. ROY:

18 Very good. It's approved. Thank you,
19 sir.

20 MR. LONG:

21 All right. Thank you.

22 MR. ROY:

23 Appreciate your time and keep us posted.

24 MR. ROY:

25 Mr. Veillon, 360 Lang Holdings, LLC.

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1 MR. VEILLON:

2 Okay. I'd like to introduce Mr. Gregg
3 Gaudin, Vice President with South Louisiana
4 Business Bank and Mr. Brandon Browning,
5 owner of 360 and Mr. Jim Murphy, who is the
6 financial person for the company.

7 South Louisiana Business Bank of
8 Prairieville is requesting the loan
9 guarantee for 360 Land Holdings, LLC under
10 the Small Business Loan Program. The loan
11 guarantee will provide financing for land,
12 building, equipment and improvements, and
13 the project satisfies and meets the board
14 criteria for a startup business with
15 improving concept and experience business
16 management and some job growth.

17 360 Land Holdings is to create a fitness
18 center and is requesting a 690,000 loan to
19 finance land, building, equipment and
20 improvements. Bank will guarantee 483,000

21 or 70 percent of 690,000 for the land,
22 building, equipment and improvements.
23 The owners will generate 170,000 and the
24 business loan, which will be at 21 percent
25 and of that at least 138,000 equity prior to

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1 the loan closing. Prior to the first
2 mortgage, the land, building, equipment and
3 improvements not less than 690,000.

4 The term of the loan commitment is a
5 typical term for five years for us. With
6 the term loan, the company will create
7 approximately 25 permanent jobs and the
8 company is projected to earn 485,000 on
9 sales per share, with a gross profit of
10 432,000, so the company is projected to
11 generate sufficient cash flow based on the
12 average, we analyzed for 157,000 in net
13 profit for a debt service starting 1.9301.
14 We cut that back to 5,000, and it covers
15 the 1.231. Mr. Browning, Mrs. Desiree
16 Browning and Mr. James Murphy will own 100
17 percent of the debt and will personally
18 guarantee the loan. Mr. Browning and Ms.
19 Desiree Browning have several years of
20 fitness training experience. Mr. Murphy
21 will be in charge of financing and
22 developing the franchise. The fitness
23 center will be located in the shopping
24 center that houses Bass Pro Shop in Denham
25 Springs and it's name will be Ringside 360.

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1 And it's a new concept, which will expand
2 into a franchise company. This gym will
3 offer training in kickboxing, mixed martial
4 arts, yoga, Pilates and spinning. In
5 addition, there will be gym for weight
6 training and cardiovascular activity.

7 The mission is to provide an upscale,
8 positive fitness environment for men, women
9 and children, and the fitness industry
10 operates with great economic stability as
11 people continuing to join fitness facilities

12 to improve their healthy lifestyle.
13 We recommended it. We think it's a good
14 deal. We think it will be very successful.

15 If you have any questions, we would like
16 to answer them.

17 MR. ROY:

18 Questions. Comments.

19 MR. COTTEN:

20 Mr. Brandon, how are you doing?

21 MR. BROWNING:

22 I'm good.

23 MR. COTTEN:

24 Mr. Browning, I should say.

25 Have you ever hear of Body Factory?

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1 MR. BROWNING:

2 Body Factory, yes.

3 MR. COTTEN:

4 It's a good example of what not to do.

5 MR. BROWNING:

6 That's right.

7 MR. COTTEN:

8 Because he was around the corner from
9 you at one point in time.

10 Tell me the competitive model in Denham
11 Springs health club industry/fitness area.

12 MR. BROWNING:

13 Actually, the gym we will be offering,
14 there's pretty much nothing in Livingston
15 Parish that fits our model pretty much. For
16 example -- well, I'll give you an example.
17 I was first looking at a franchise called LA
18 Boxing, and it's right there at Sherwood and
19 Coursey and they have -- their big thing is
20 the cardio kickboxing. Eighty percent of
21 their clientele is pretty much what they
22 have and they have right now a little over
23 600 members are all there for the cardio
24 kickboxing class, so that concept already
25 proven pretty much. And what we'll have,

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1 we'll have the cardio kickboxing, which is
2 the only place in Livingston that will have

3 that, so that will be a big attraction. The
4 rest of the gym is pretty much a group
5 fitness model, which is pretty much your
6 net -- is the fastest growing fitness
7 concept there is out there right now. And,
8 for example, like I said, cross fitness,
9 which is not offered in Livingston Parish
10 anywhere. It's big in Hammond, big in Baton
11 Rouge. They have a few very successful
12 cross gyms around. It's big in the West and
13 East Coast.

14 Let's see what else. And we'll offer
15 the Body Pump, which is successful and
16 already a proven concept in Livingston
17 Parish. I think two or three gyms in
18 Livingston have had that there on the east
19 side of the parish. I think one on the west
20 side.

21 MR. COTTEN:

22 Two more questions: One, would you
23 break even in membership, and, two, how do
24 you compete with 24-hours fitness centers?

25 MR. BROWNING:

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1 I'll answer the 24-hour fitness center.
2 I currently own two Snap Fitness gyms, which
3 is a 24/7. They're in Mississippi, in
4 Brookhaven and McComb, Mississippi. It's
5 pretty much -- I would be comfortable with
6 putting a 24-hour gym next to this. The
7 reason being is because it's completely
8 different clientele. This is all group
9 fitness. There's no equipment that I will
10 offer in my gym that will be in a
11 24-hour gym. It's a completely different
12 concept, completely different clientele.

13 MR. MURPHY:

14 Good morning. I'm Jim Murphy, and I
15 usually don't use a microphone because I was
16 a marine officer for six and a half years
17 and I seem to do very well.

18 This concept, to answer your question
19 directly, to break even is 355 members. We

20 are going to probably pre-sell those before
21 opening day, August 12th, and have those
22 sold probably in June and July. Our target
23 membership is 600 members per location, and
24 we think we have the capacity to have about
25 850 members in each location.

0026
1 Randy talked about the concept of
2 franchising this. We have some investors in
3 the wings that think that we should open
4 both the franchise concept and also
5 corporate-owned concept. Our plan right now
6 in the next 24 months is to open six of
7 these locations in the State of Louisiana,
8 and we will have an employment base of about
9 450 employees and a tax revenue base back to
10 the State of about 2.5 million.

11 We plan on phase two opening 25 of these
12 locations in the southeast and growing only
13 from Houston, Texas to Orlando to
14 Philadelphia because there's no competition
15 there, to 125 to 130 locations and then
16 we'll go international to Canada where UFC
17 and MMA boxing are probably the second
18 largest sport behind hockey, and opening 12
19 locations up there.

20 Not only that, but we are also
21 opening -- personally, I'm opening a
22 foundation in Madisonville. We recently
23 purchased two pieces of land in Madison
24 Harbor. Ringside 360 will give back five
25 percent of their gross profits to the Duck

0027
1 Trap Lodge Foundation, which will support
2 the Wounded Warrior Foundation, Ducks
3 Unlimited and the Tchefuncte River
4 Foundations. And the plan is to the bring
5 Wounded Warriors from Walter Reed Hospital
6 in Washington, DC and the hospital in Fort
7 Belvoir down on a monthly basis to enjoy the
8 activities on the river, to do duck hunting,
9 deer hunting on Hog Island, and we already
10 have land leases to do that. So we are

11 going to give back to the community. We are
12 going to give back to charity. We are going
13 to give significant revenue back to the
14 State of Louisiana.

15 MR. ROY:

16 Questions. Comments.

17 Followup to Mr. Cotten's question, you
18 said who isn't in competition. Who is? Can
19 you describe who your competition is?

20 MR. BROWNING:

21 Really, as far as a model gym, there's
22 really nobody like us. I would say LA
23 Kickboxing is the closest competition, which
24 they're off of Sherwood in Baton Rouge, and
25 the only reason they're competitors is

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1 because they offer mixed martial arts and
2 cardio kickboxing. That's pretty much their
3 whole concept. That's all they have. We'll
4 have the cardio kickboxing, the mixed
5 martial arts and much more. They don't
6 offer any group fitness, like CrossFit or
7 Pilates or spinning or Body Pump, all of
8 that stuff, you know. It's a brand-new --
9 as a whole, it's a brand-new concept, I
10 would say.

11 I would say my closest competition is
12 probably in Hammond, which there's a big gym
13 over there called Cypress Point, which is
14 several miles away, and they pretty much
15 have everything. I mean, it's just a huge
16 box gym that just has everything.

17 MR. ROY:

18 And you feel there's adequate demand and
19 a growing demand for this service?

20 MR. BROWNING:

21 Group fitness, I do because that's the
22 direction I think that I've seen that
23 fitness is going is that it's
24 instructor-lead group fitness and it's
25 better than going to a big-box gym and

0029
1 getting a personal trainer because it's much

2 less cheaper on this end, whereas if you
3 would go hire a personal trainer and pay,
4 let's say, probably \$40 a session,
5 whereas -- so you would look at monthly
6 membership, let's say, if you took two
7 sessions a week, I mean, you're looking at
8 several hundred dollars, whereas you go
9 in a group fitness session, where you have
10 an instructor, where you use as a personal
11 trainer, you pay, you know, under \$100 a
12 month.

13 So as far as the demand, I think it's a
14 no-brainer. I think LA Boxing proves the
15 concept pretty much for us because, like I
16 said, they have over 600 members for what
17 they offer.

18 MR. MURPHY:

19 The only thing we are going to do is
20 provide discounted memberships to law
21 enforcement so they can train as a group and
22 participate in that. We'll also offer that
23 to other civil servants, both firefighters
24 and the federal law enforcement agencies to
25 work out in a gym at a much reduced rate.

0030

1 We're also working with Bass Pro Shops
2 to conduct an employee work-out program, and
3 there's several hotels that are coming in to
4 that location and we told them there's no
5 need to build a fitness center, that they
6 could use our facility as well, so...

7 MR. BROWNING:

8 And not to mention the location, you
9 know, for these things are pretty much
10 everything being that -- I mean, this
11 location that we're actually at is the
12 number one commercial site in the state
13 right now. So, I mean, the traffic count in
14 this area is, I think, seven --

15 MR. MURPHY:

16 Seventeen thousand cars every day.

17 MR. ROY:

18 Questions. Comments.

19 MR. COTTEN:
20 I make the motion to approve.
21 MR. ROY:
22 Motion to approve is presented.
23 MR. ROUSSEAU:
24 Second.
25 MR. ROY:

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1 Second.
2 Any other discussion?
3 MR. BROWNING:
4 Nothing like Body Factory.
5 MR. ROY:
6 Hearing none.
7 Any comments from the public?
8 All in favor "aye."
9 (Several members respond with "aye.")
10 MR. ROY:

11 All opposed "nay."

12 (No response.)

13 MR. ANDRE:

14 Motion to abstain.

15 MR. ROY:

16 Motion on the board abstaining.

17 It's approved. Congratulations. Please
18 keep us posted and good luck.

19 MR. MURPHY:

20 Thank you very much.

21 MR. VEILLON:

22 Thank you, Mr. Chairman.

23 MR. BROUSSARD:

24 Excuse me. Which board member
25 abstained?

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1 MR. ROY:

2 Mr. Avant.

3 MR. BROUSSARD:

4 Thank you.

5 MR. ROY:

6 Next order of business Riverview Port
7 Services, Mr. Brown.

8 MR. BROWN:

9 Morning. I have Mr. Grady here with me.

10 He is the owner of Riverview Port Services,
11 and I have Mr. Lonnie Darden. He is the
12 president of Homeland Federal Savings Bank
13 in Columbia.

14 MR. GRADY:

15 Good morning.

16 MR. ROUSSEAU:

17 Morning, sir.

18 MR. BROWN:

19 Homeland Federal Savings Bank in
20 Columbia is requesting a loan guarantee this
21 morning for Riverview Port Services. This
22 credit will purchase a line of credit as
23 well as equipment that's needed. Riverview
24 Port Services is expanding. They're
25 expanding into St. Joseph, Louisiana.

0033

1 They're in Columbia currently. They're
2 going to be doing business as River Port
3 Service in St. Joseph. They're going to be
4 in the site, if not mistaken, in the Tensas
5 Port property. They're going to be there.
6 Mr. Grady offered a service that's unique in
7 that area. Riverview Port Services is a
8 construction rock and agriculture lime
9 distribution company, which is a lone
10 distributor in that area, if I'm not
11 mistaken. What he distributes is clean
12 rock, base rock and agriculture lime. Like
13 I said, his product is primarily needed for
14 construction and farming.

15 I know very little about it. In
16 geography class, I didn't do too well. They
17 told me it would come in handy one day, and
18 I see what they meant by that. But I do
19 know that he's been doing this for 10 years.
20 He knows what he's doing, and he's been very
21 successful at doing this.

22 The loan guarantee, in terms of the
23 equipment loan, it would be a term loan for
24 \$50,000; however, we're guaranteeing 31,000
25 of that, and of that 31,000, we're putting a

0034

1 75 percent guarantee on it, which is
2 \$23,250.

3 The 19,000 would be to a current working
4 account for him. The bank is going to stand
5 on his credit loan with that one there. The
6 bank is also establishing a \$400,000 line of
7 credit for him. We're guaranteeing 75
8 percent of that, which is \$300,000 for a
9 323,350 we're guaranteeing.

10 I'm going to let them explain the
11 business and what the bank is doing, and if
12 you don't mind, I'll turn over the mic to
13 them.

14 MR. DARDEN:

15 Mr. Grady has been a customer of ours
16 for 10-plus years. He's been involved in
17 the business for 10-plus years, maybe closer
18 to 12, but it started out very small working
19 on the side of the highway off the
20 railroad rails. He's built his business and
21 has now expanded to his own site about
22 20-plus acres where his facility is now.
23 It's on a dead lake off the Ouachita River.
24 He has his own loading ramps there with a
25 loading dock where barges come down from

0035
1 areas up the Mississippi and he unloads
2 those there at his facility and he furnishes
3 the general area with rock and lime.

4 He has been looking about how to expend
5 this service, and the Mississippi River is a
6 lot easier to get materials to and from
7 rather than Columbia, so he looked over at
8 the Tensas Parish area where there is no one
9 else in the area supplying these materials
10 and found that the Port Commission has
11 property there and began visiting with them
12 and found out they were very supportive of
13 him opening an office there in St. Joe on
14 the Mississippi River. From that, he began
15 to get support from the general public and
16 to the owner of political subdivisions, like
17 the police jury.

18 He's worked out a very reasonable rental
19 with the Port Commission. They've offered
20 to do a lot of services and to help him once
21 he gets there, and we feel like that it will
22 be able to very easily support itself. He's
23 got the demand already there waiting on him,
24 and we don't feel like he's taking a
25 significant risk.

0036

1 If that's the case, why do I need a
2 guarantee? Well, my bank is small. I don't
3 have a very large bank and Robert is
4 bumping our lending limit and I would not be
5 able to do this if I don't have your
6 guarantee. We're not worried about the
7 credit as far as him being able to do it
8 because he has a very good operation at this
9 point in time, but due to our lending
10 limits, we can't fund this loan without your
11 assistance. So that's what I have been
12 working with the department with a couple of
13 issues trying to find some deals that would
14 work and this one came along and I thought
15 this was an excellent one for y'all and also
16 a way for us to be able to assist Mr.
17 Grady.

18 He not only is in the rock business, he
19 has a marina and he also has a farming
20 operation of which we are a part of all of
21 those, with his own storage units and ships
22 out stuff. So he's got ideas for the Tensas
23 operation and we just think it's a good
24 opportunity for a business in a parish that
25 sorely needs something new. It's very

0037

1 rural, probably one of the poorest parishes
2 in our state and it could utilize a new
3 business. It would also add additional
4 revenues from sales taxes and a few jobs he
5 could add immediately and working up to
6 things I didn't even know about until we
7 rode down here and discussed, like land
8 fill, unloading and loading and things of

9 that nature which would supply more jobs.

10 But that's pretty much where the bank
11 stands. We're behind the credit. We
12 already approved it. We approved it in
13 January and have been working to get it
14 presented to y'all until today and I'll let
15 Mr. Grady make some comments about his
16 operation.

17 MR. GRADY:

18 Well, where should I start? I started
19 my present business in March of '99, and
20 we've built up from there, like Lonnie said,
21 on the river in Spur and finally purchased
22 land on the river and started barging in
23 limestone and aggregate. That's gone pretty
24 well, and I started looking this summer at
25 expanding. The Mississippi River is a

0038
1 superhighway and we're way up the Ouachita
2 River. Materials is a lot cheaper over on
3 the Mississippi River, a lot easier access.
4 So I started looking and I found this
5 property on the Mississippi at St. Joe and
6 it happened to belong to the Port
7 Commission. And I have been very well
8 received by the police jury and the Port
9 Commission over there. They're really
10 anxious for me to get in there and get
11 started.

12 And the area there is primarily
13 farmland. There will be a lot of
14 agricultural lime, which will be used in
15 that area. There are other sources they
16 have at my present yard in Columbia, which
17 it's 70 miles away, and to north it's about
18 50 miles up to the next limestone yard,
19 north of Tallulah. And I feel like that
20 would be a great market for lime in that
21 area. The police jury is ready for us to
22 get material on hand so they can start
23 buying material from the Parish. Right
24 between, in the center between my rock yard
25 and Columbia, is Winnsboro, Franklin Parish,

0039

1 and I feel like I'll have a real good market
2 over there, also.

3 I have real good support with the Port
4 Commission there. They have got a real
5 reasonable fee for putting the stone through
6 their property. I have additional
7 stockpiling area by one of the farm
8 companies, Agriliance. I can use some of
9 their property to stockpile if I need during
10 flood times.

11 Everything is coming together real well
12 over there. I've got support from the
13 locals over there. Bunkie Elevator, they're
14 ready for us. My neighbors, they're ready
15 for us to come in. They're going to allow
16 me to use their scales to scale this
17 material until I can put in my own set of
18 scales. And the handling of the stone,
19 buying the stone, where to get it and what
20 to get and what sells is something we've
21 already been doing for 10 years and I'm
22 familiar with all of that and I feel real
23 good about this location over there. It's
24 an area from Tensas Parish and even further
25 west to Franklin Parish. That whole area

0040

1 has to truck the material they use in from
2 quite a distance, and that rock yard
3 material generally costs the same unless you
4 put it -- when you put it on an 18-wheeler,
5 the further it goes, the higher it costs,
6 and that goes up quickly. A matter of 15,
7 20 or 30 miles is quite a difference in the
8 cost of the stone to the customer. And I
9 think it's going to be an excellent
10 location.

11 **MR. BROWN:**

12 Having said that, I have shocking data
13 that I've found. Even with the existing
14 income from the imbalance sheet of November
15 31st, 2010, the cash flow is 1.62 to 1. For
16 every dollar that they're borrowing, they

17 have a 1.62 to pay back. Even if he was to
18 lose income, was to fall off significantly,
19 which would be to about \$215,000, it still
20 would meet commercial lending standards, and
21 it would cash out at 1.25 to 1.

22 Having said that, based on analysis and
23 review, staff is recommended approval for
24 Riverview Port Services, Inc., for a
25 guarantee and offer the following conditions

0041

1 and covenant and the term sheets that's
2 before you guys for consideration if you
3 choose to approve this request.

4 Any questions?

5 MR. AVANT:

6 Mr. Grady, will you keep your Ouachita
7 going, too?

8 MR. GRADY:

9 Yes, sir.

10 MR. AVANT:

11 You'll have multiple locations?

12 MR. GRADY:

13 Both locations, and I'll be using
14 equipment for each one, trucks, that kind of
15 thing and supporting both yards.

16 MR. AVANT:

17 Most of your product goes to your roads?

18 MR. GRADY:

19 Sir?

20 MR. AVANT:

21 Roads, buying limestone for roads or
22 farming or...

23 MR. GRADY:

24 Agricultural like limestone and that
25 goes out on all of farmland as needed, and

0042

1 we'll supply stone for highways, oil field
2 locations, driveways, building paths,
3 anything we need a base material, or, if you
4 wanted, just plain, clean stone. We'll
5 likely stockpile stone, up to four-inch
6 stone, initially, and pretty soon we'll have
7 a small amount of riffraff. It's not a big

8 seller, the smaller stone. The base
9 materials are your largest seller. It's
10 over half of the tonnage that you sell will
11 be base material, and then there's different
12 grades from that, one-inch stone. There's
13 clean stone, two-inch stone and four-inch
14 stone. That seems to be the main sellers.
15 With the base material, 610 base and number
16 57 being the lion's share of that. That
17 will be 75 percent of the sales not
18 including the ag lime. The ag lime probably
19 will be a third, at least, of the total
20 sales.

21 MR. AVANT:

22 How is this actually offloaded? Is
23 there a drag line that does it, or is it --

24 MR. GRADY:

25 At the Columbia shore, it would have to

0043
1 be --

2 MR. AVANT:

3 It seems --

4 MR. GRADY:

5 Yes, sir. At Columbia, I built a dock,
6 a wall, and I sit on the bank. I just have
7 a good advantage. It's on nine feet of
8 water. I can pull the barge right along
9 side of the dock, and I have a 330
10 Caterpillar excavator with a
11 commercial-sized bucket on it. We pull the
12 barge to the side, and we start digging it
13 out and putting it onto dump trucks, and
14 they take it out to the stockpile area and
15 dump it, and we push it up into a pile.

16 MR. AVANT:

17 Thank you.

18 MR. GRADY:

19 And this will be different here at
20 St. Joe. The Mississippi River fluctuates
21 so much and we have over a 40-foot rise and
22 fall in the Mississippi River and we'll
23 bring in a spud barge and spud it down right
24 on the side of the river and do basically

25 the same thing. And for that, we have to

0044

1 hire a contractor to do that until I get to
2 the point where I could have it fixed where
3 I could do it myself.

4 MR. AVANT:

5 Thank you.

6 MR. COTTEN:

7 Question: In the agriculture community,
8 limestone, that's a big fertilizer element.
9 Where are your current co-ops in that area
10 getting their limestone from?

11 MR. GRADY:

12 They will get their limestone from
13 Terral River Service in Tallulah and/or from
14 Riverview Port Service in Columbia from me.
15 It's about 45 to 50 miles up to the next
16 location north.

17 MR. COTTEN:

18 And then would you be able to supply any
19 co-op? The farmer comes directly you, or
20 would you be an intermediary?

21 MR. GRADY:

22 We do that both ways. I supply Jim
23 Sanders, Agriliance, CPS Farm Services. I
24 have about five stores that we supply now.

25 MR. COTTEN:

0045

1 How long have you been supplying those
2 stores?

3 MR. GRADY:

4 How long have you been serving those
5 stores?

6 MR. GRADY:

7 I started in the ag lime business, and
8 I've been doing most of those stores ever
9 since. And then the ones that are closest
10 to us, once you put that limestone on a
11 trailer/truck, it goes that ways, and the
12 closer you are to the source, the less
13 expensive it is to the farmer. And with
14 Agriliance, two stores with Agriliance for
15 11 years. Jimmy Sanders is a new company up

16 there, but the company they bought out, I
17 had those for 11 years. The company we've
18 had since we started using -- we've been
19 servicing them some about four years ago,
20 and CPS, just a couple of years.

21 MR. COTTEN:

22 So you're going to be doing barge
23 unloading on the Mississippi; is that going
24 to reduce cost to you on the cost of the
25 product? And if that is, what are your

0046
1 clients going to expect? Are they going to
2 expect price reduction, or can you maintain
3 prices?

4 MR. GRADY:

5 They're going to be lower trucking
6 freight, and my prices will be lower than
7 they are at Columbia. And, also, this area
8 that I'm moving to, I can't hardly reach
9 from Columbia because the freight is
10 prohibited after you reach south to a
11 certain distance, and with this new
12 location, those areas will join in the
13 middle. It's about 70 miles between the two
14 locations, and I should be able to do a good
15 job all the way over to the center from this
16 location.

17 MR. COTTEN:

18 Do me favor, I can't find St. Joe on my
19 Google. Where is St. Joe? Where is it
20 located?

21 MR. GRADY:

22 Lake Bruin.

23 MR. COTTEN:

24 Lake Bruin. I got it.

25 MR. GRADY:

0047
1 That's St. Joe.

2 MR. COTTEN:

3 I grew up on an small oxbow lake myself
4 on the Mississippi. I'm familiar with your
5 concerns on the rise of the river.
6 Helpfully you won't have any problems.

7 MR. DARDEN:

8 One thing I found in doing my research
9 on this was Caldwell Parish, where we live,
10 only has about 75,000 acres of farmland, and
11 just in Tensas Parish, it has 225 to 250,000
12 acres of farmland, which we can't serve now
13 because he's too far away. That doesn't
14 count Franklin Parish, which is one of the
15 biggest farmlands in the Parish, which he
16 can only service half of it because he comes
17 from this side of it about halfway, 35
18 miles. That's as far as he can truck. So
19 then he will be able to be at Tensas and
20 reach that other part, other half of the
21 parish, as well as that 200-plus thousand
22 acres in Tensas. That's a good, strong
23 potential, which we stumbled on -- I did.
24 He knew it, but I didn't know it exactly in
25 comparison in acreage, so we were excited

0048
1 about it when we found that.

2 MR. COTTEN:

3 Also we have a farming operation and we use
4 a lot of lime. It's a very important in the
5 crops and yield, and so that's why I was
6 wondering about your freight costs
7 expectations. Even though you had lower
8 coming in, you may be able to serve a longer
9 distance to compete on prices.

10 Thank you.

11 MR. GRADY:

12 And we take care of those farm stores.
13 We also sell to individual farmers too. If
14 they want to come directly to us, we'll sell
15 them a load of lime or however much they
16 need and they can send their own trucks
17 after it or we deliver to the fields for
18 them, and whatever they want to do. So we
19 don't exclude anyone. If you got a
20 five-gallon bucket and you need some rock,
21 bring it on over and we'll get you fixed up.

22 MR. COTTEN:

23 Mr. Chairman, I move for approval.

24 MR. ROY:
25 Motion for approval has been presented.

0049

1 MR. AVANT:

2 Second.

3 MR. ROY:

4 Second.

5 Any other discussions or any comments
6 from the public?

7 (No response.)

8 MR. ROY:

9 All in favor "aye."

10 (Several board members respond "aye.")

11 MR. ROY:

12 All opposed "nay."

13 (No response.)

14 MR. ROY:

15 Without objection, congratulations. We
16 wish you the best, and come back to see us.

17 MR. GRADY:

18 Thank you very much.

19 MR. DARDEN:

20 Thank y'all very much. We appreciate
21 it.

22 MR. ROY:

23 Ms. Blankenship.

24 MS. BLANKENSHIP:

25 Secretary Treasurer's Report, as of

0050

1 March 18th, 2011, I'm going to the Financial
2 Assistance Program, Loan Assistance Program.
3 We have a budget of \$2,000,000. Approved
4 projects were 548,297. The board approved
5 three projects today, and the amount of
6 \$580,125, for a remaining balance of
7 871,578.

8 In capital equity, we have a budget of
9 12,788,658, and approved projects of
10 3,480,000 for a balance of 9,305,658.
11 Potential projects that possibly could come
12 before the board at a later time represents
13 approximately 10 projects in the amount of
14 4,620,000, and if those projects were to

15 come to fruition, the remaining balance
16 would be 4,275,658.

17 I'm going to the Fund Balance page. Our
18 fiscal year '11 projected balance is still
19 835,017. The executive projected was
20 presented on March 11th for fiscal year '12,
21 and to the extent -- appropriated
22 expenditures were to the extent of revenue
23 collections. It's basically everything that
24 we're going to collect as being appropriate
25 to the extent. So we have the appropriation

0051
1 for the Financial Assistance Program, for
2 example, 1,000,000. The rest of the funds
3 are being used for similar items such as
4 Fast Start and portions of project
5 commitments. They did give you general fund
6 for some of the project commitments because
7 there wasn't enough revenue in the EDP
8 Program, so they have placed the project
9 commitments in the back of the bill, which
10 is now going to be Schedule 20. It won't be
11 in LED's appropriation for some of the
12 project commitments for next year. But the
13 revenue committee conference did meet and
14 had a slight increase in revenue. We will
15 update the revenue and update the fiscal
16 year '12 column at the next board meeting.

17 We're basically in the same posture.
18 We're going to -- you know, basically
19 everything we're going to collect is
20 appropriated to Louisiana.

21 MR. ROY:

22 Questions or comments?

23 (No response.)

24 MR. ROY:

25 Hearing none, I'll entertain a motion to

0052
1 accept the treasurer's report.

2 MR. AVANT:

3 Motion.

4 MR. ROY:

5 Motion to accept the report has been

6 presented.

7 MR. COTTEN:

8 Second.

9 MR. ROY:

10 Second from Mr. Cotton.

11 Any discussion or comment from the
12 public?

13 (No response.)

14 MR. ROY:

15 Hearing none, all in favor "aye."

16 (Several members responded with "aye.")

17 MR. ROY:

18 All opposed "nay."

19 (No response.)

20 MR. ROY:

21 Hearing none.

22 Mr. Smith, good morning.

23 MR. BROWN:

24 LEDC Financial Status Report as of
25 February 28, 2011, Total Participation Loan

0053
1 balance as of February 28th, 480,540.

2 Total direct loans, 7,949,223. At this
3 time, we have one loan, MV Realty, LLC,
4 which is past due at this point, and I think
5 Randy will make some comments concerning
6 what's going on with this particular deal
7 before I proceed on.

8 MR. VEILLON:

9 This is a Honda dealership. It's been
10 in our portfolio for seven or eight years,
11 and it's changed hands about a year ago by a
12 very experienced automobile person. From
13 what I understand, the guy that's got it
14 now, he wanted to refinance it at a lower
15 rate, and I think he's fighting with
16 Enterprise Corporation about that rate.
17 They won't give to him. He's not paying,
18 maybe pays a couple of months and doesn't
19 pay a couple of months, and I think he's
20 trying to refinance that at another
21 institution. But I do think, from what I've
22 seen, we'll eventually get paid out.

23 MR. SMITH:
24 Total --
25 MR. VEILLON:

0054

1 It's a Honda dealership in Monroe is
2 what I meant to say.

3 MR. SMITH:

4 Total EDLOP loans as of 2/28/2011,
5 1,726,852.

6 Total guaranteed loans as of 2/28/2011,
7 7,631,509. We have 21 current guaranteed
8 loans, and they're all current.

9 Allowance for loan loss participation
10 direct, balance as of February 28th, reserve
11 307,653. Loan balance, 8,429,763.

12 Allowance for EDLOP loan loss balance of
13 February 28th, 2011, 259,028. Loan balance,
14 1,726,852.

15 Allowance of guaranteed loans, balance
16 as of February 28th, 2011, 1,373,672. Loan
17 balance 7,631,509.

18 That concludes my February report.

19 MR. ROY:

20 You think maybe we could arrange to have
21 one of these past due? That would make
22 Mr. Stuart and I feel much better.

23 MR. SMITH:

24 I think we want to keep it like it is.

25 MR. ROY:

0055

1 Any questions or comments?

2 MR. COTTEN:

3 One comment. Let's attest to the
4 staff's abilities to pick the good ones.

5 MR. ROY:

6 Absolutely.

7 MR. COTTEN:

8 Thank y'all.

9 MR. VEILLON:

10 Thank you very much.

11 MR. ROY:

12 All right. Thank you.

13 Mr. Grissom, President's Report.

14 MR. GRISSOM:

15 Thank you, Mr. Chairman. Board members,
16 thank you for your participation today. I
17 wanted to just provide a few brief comments.
18 I believe the last time I addressed the
19 board with -- or at least -- yeah, I believe
20 the January board meeting, we commented on
21 some of our year-end statistics. Some of
22 the things we did last year recently
23 received some very exciting recognition for
24 our accomplishments in 2010. So I wanted to
25 share that with the board. I'm just going

0056
1 to hand out two releases and provide a few
2 comments and that will be it for me.

3 The first is really something that the
4 department is very excited about. I think
5 it reflects very well on this board and
6 activities of this board, but Louisiana was
7 recently -- you know, this was from a
8 national competition, but we were recently
9 recognized as the third best in the US for
10 business investment for 2010. Now, this
11 assessment is based on absolute numbers, so
12 there's a variety of states in the US that
13 have much more significant population than
14 Louisiana. And even with those
15 disadvantages, Louisiana was identified as
16 third best for business investment. This is
17 based on job-created projects and projects
18 with a significant level of investment
19 primarily in what I'll call
20 industry-driver-type industries, those
21 industries that tend to export and import
22 wealth into the states. So there's some
23 characteristics that projects have to fall
24 under. These are the types of projects at
25 LEDC and those that we feel add to the

0057
1 Louisiana economy.

2 Being ranked third, it was a highest
3 ranking ever for Louisiana, and the two
4 states that were in front of Louisiana were

5 Texas and Ohio. So, again, we're speaking
6 to that population disadvantage that
7 Louisiana has. When you take into account
8 the ranking on a per-capita basis, Louisiana
9 jumped from ninth in 2009 to first in the US
10 in 2010. We're very excited about that.

11 Again, it's been a very challenging time
12 for the State, a very challenging time for
13 the nation, but through adversity, I'm very
14 excited about the State's performance, and I
15 think it's something that we at the
16 department will be able to use in talking
17 with companies outside the State. This is a
18 great way to really validate to businesses
19 who aren't familiar with Louisiana that
20 indeed a lot of good things have happened
21 here, a lot of businesses are investing in
22 Louisiana. Even though you might not be
23 familiar with Louisiana, you ought to
24 consider it because a lot of other people
25 are. So that helps the department when

0058
1 we're reaching out to companies who aren't
2 investing in Louisiana yet. So I'm excited
3 about that ranking.

4 A similar recognition -- and this is not
5 quite as broad, but, again, something that
6 just kind of adds to our portfolio of
7 positive messages that we can convey to
8 companies outside of Louisiana -- Trade and
9 Industry Development, this is a trade
10 publication that involves economic
11 development. They have an assessment each
12 year where they look at corporate investment
13 and community impact, and, really, this is
14 an assessment where they look at project
15 analysis that have happened across the
16 country and select a few that meet
17 either a corporate investment set of
18 criteria -- generally they're looking for
19 kind of major capital investment projects
20 and community impact, and those are based on
21 the perceived impact that those particular

22 projects would come in the community. So
23 community needs are taken into account when
24 looking at those community impact awards.
25 Louisiana and North Carolina lead the south

0059

1 in these rankings. So, in other words,
2 Louisiana and North Carolina, three projects
3 in each of those states were recognized. We
4 were very excited to receive that
5 recognition. Again, it's something that we
6 can point out when speaking with companies
7 out of state, "Look, Louisiana has number of
8 high quality projects, high quality
9 companies that you can relate to that have
10 chosen Louisiana." North Carolina, you
11 know, is successful as well. So we're happy
12 to be standing with North Carolina in
13 communicating that message. And those
14 particular projects were Newport
15 Corporation, Blade Dynamics and DG Foods,
16 which is one of the EDLOPs, I believe that
17 was approved by the State in Bastrop,
18 Louisiana, which had been particularly hard
19 hit with a number of downsizing in that
20 area.

21 So that's my update for today. I want
22 to thank all of the board members for
23 participating and appreciate your diligent
24 review of the projects that came before the
25 board and I appreciate your service. So

0060

1 thank you.

2 MR. ROY:

3 How do we market this information?

4 MR. GRISSOM:

5 Very aggressively. We have a
6 multi-prong approach to marketing, so we
7 have essentially a marketing communications
8 program, which involves advertising, it
9 involves collateral, it involves our
10 website, it involves e-mail, it involves
11 mobile applications where we push those
12 messages. So it's print, television, some

13 radio and electronic communications.

14 Additionally, you know, we reach out to
15 companies directly. So we have a function
16 within the department that identifies
17 companies we think have a fit with
18 Louisiana, that fall within a number of
19 sectors, we think are hot potential for
20 Louisiana. We get on the phone and try to
21 figure out a way in to the company
22 executives, and if we get an audience, we
23 essentially convey that message.

24 One of the first things that we talk
25 about with companies are some of the these

0061
1 things, positive recognition because that
2 helps -- essentially helps open up the
3 audience. And, you know, we'll speak with
4 division managers, CFOs, CEOs, presidents of
5 companies, where they say "Okay. I may have
6 never thought about Louisiana before, but
7 there's some good things going on." At
8 least give us 30 minutes and here what the
9 message is, and through that effort, we
10 connect from time to time to try to lure
11 those companies into consideration when the
12 project materializes, and that's not all.

13 Through that combined effort, all trade
14 shows as well, we get our message out.
15 That's primarily the focus -- what I just
16 described is not -- we have separate efforts
17 for every single state.

18 MR. ROY:

19 Any other business?

20 (No response.)

21 MR. ROY:

22 Hearing none, I'll entertain a motion to
23 adjourn.

24 MR. ANDRE:

25 We'll move.

0062
1 MR. ROY:

2 Meeting adjourned.

3 (Meeting concludes at 10:43 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 _____.

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Elicia H. Woodworth, CCR
Certificate No. 27014