

MINUTES FOR THE BOARD OF DIRECTORS MEETING
OF THE
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
HELD AT
LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM BUILDING
FOURTH FLOOR BOARDROOM
8401 UNITED PLAZA BOULEVARD
BATON ROUGE, LOUISIANA
ON THE 21ST DAY OF MARCH, 2014
COMMENCING AT 9:33 A.M.

REPORTED BY: ELICIA H. WOODWORTH, CCR

1 Appearances of Board Members Present:

2

3 A.J. Roy

4 Alden Andre

5 Natin Kamath

6 Quentin Messer, Jr.

7 Cal Simpson

8 Susan Tham

9

10 Staff members present:

11 Daria Vinning

12 Brenda Guess

13 Rick Broussard

14 Susan Bigner

15 Seth Brown

16 Christian Pennington

17 Errol Smith

18 Celia Pugh

19 Robin Tate

20 Leu Anne Greco

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MR. ROY:

Morning. If everyone will have a seat,
we'll get started.

Welcome. Call to order to Board of
Directors Louisiana Economic Development Corporation.

Rollcall, please.

MS. VINNING:

A.J. Roy.

MR. ROY:

Here.

MS. VINNING:

Jay Rousseau.

(No response.)

MS. VINNING:

Alden Andre.

MR. ANDRE:

Here.

MS. VINNING:

Quentin Messer.

MR. MESSER:

Here.

MS. VINNING:

Nitin Kamath.

MR. KAMATH:

Here.

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MS. VINNING:

Cal Simpson.

MR. SIMPSON:

Here.

MS. VINNING:

Robert Stuart.

(No response.)

MS. VINNING:

Susan Tham.

MS. THAM:

Here.

MS. VINNING:

Harry Avant.

(No response.)

MS. VINNING:

Louis Reine.

(No response.)

MS. VINNING:

Six out of 10 members. We have a
quorum.

MR. ROY:

Very good. I'll ask everyone to please
silence their cell phones.

First order of business is approval of
the minutes of the February 14th meeting.

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MR. ANDRE:

Move for approval.

MR. ROY:

Motion for approval as presented.

MR. SIMPSON:

Second.

MS. THAM:

Second.

MR. ROY:

Any discussion?

(No response.)

MR. ROY:

Hearing none. Any comments from the
public?

(No response.)

MR. ROY:

Hearing none, all in favor, "aye".

(Several members respond "aye".)

MR. ROY:

All opposed, "nay".

(No response.)

MR. ROY:

Without objection.

Under the EDAP program, Cool Planet
Louisiana, LLC, Ms. Bigner.

1 MS. BIGNER:

2 Yes, sir.

3 MR. ROY:

4 Good morning.

5 MS. BIGNER:

6 Good morning. Patrick Blunt is with
7 Cool Plant. I also have Jayson Newell, who is the
8 project manager, and Rick Ranson for Central Louisiana
9 EDA. If you would like to speak to any of them, they
10 are --

11 MR. ROY:

12 They traveled all this way. I think you
13 should join us.

14 MR. RANSON:

15 Thank you, Mr. Chairman.

16 MR. ROY:

17 Good morning.

18 MS. BIGNER:

19 Cool Planet is a different type of EDAP
20 than what we're used to. The department has offered a
21 total EDAP of \$750,000 if Cool Planet would come to
22 Louisiana and build three separate facilities. These
23 three facilities are going to be in three different
24 locations, so, therefore, we're going to look at each
25 one individually for \$250,000, and this is the first of

1 the three.

2 This is a company that has created a process
3 to convert nonfood biomass into gasoline, such as jet
4 fuel or vehicle fuel. The headquarters is in Colorado,
5 and their test location is in Strawberry Fields in
6 Camarillo, California. The facility that they're going
7 to build here is at the Port of Alexandria. Each
8 facility will have the same manufacturing process where
9 they'll bring in the biomass, take it, convert it to the
10 fuel, but there's also another byproduct that's called
11 Biochar, and it's kind of like a charcoal and it's very
12 useful in agriculture. If I am correct, it takes the
13 carbon out --

14 MR. BLUNT:

15 Carbon.

16 MS. BIGNER:

17 Takes the carbon out of the air and out
18 of the soil and makes it more oxygenated, I guess you
19 would say.

20 MR. BLUNT:

21 Well, it takes the carbon dioxide out of
22 the air by directly converting the biomass to char and
23 then sinking that char, so we don't allow the biomass to
24 decompose and a lot of CO2 to get back in the atmosphere
25 and by sinking it in the soil, which is a nice way for

1 both the soil and the atmosphere.

2 MS. BIGNER:

3 So it's actually going to have two
4 byproducts. It's going to have the gasoline, but it's
5 also going to have the Biochar.

6 Each of the facilities is supposed to --
7 they're supposed to co-invest. They're supposed to have
8 a capital investment of 56-million for each facility,
9 and that's going to total to about 168-million for all
10 three facilities, and all three facilities will be built
11 over a two-year period. Each of the facilities is
12 supposed to create at least 24 new jobs, and so what
13 we're going to do is we are going to count the jobs for
14 all three facilities at once to satisfy the actual EDAP
15 itself. So although each facility will have their own
16 separate contract and they'll each have a different
17 sponsor, they'll each receive \$250,000 a piece, but what
18 we'll do is we'll combine the jobs for all three
19 facilities to create the credits to pay off the \$750,000
20 on this project.

21 Cool Planet is going to be investing
22 \$56-million into land, building construction, capital
23 equipment and infrastructure improvements, and the EDAP
24 is for \$250,000 is also going to go towards
25 infrastructure improvements. We have spoken that it's

1 supposed to be for a road around the facility, I
2 believe, which will be owned by the port, so these
3 products -- these funds will be used to fund a public
4 infrastructure.

5 In return, Cool Planet has agreed to
6 create 24 new jobs at this new facility in the first
7 year, and then 58 jobs in the second year with the
8 construction of the other two facilities. So it's going
9 to be a total of 72 employees for a \$5-million payroll.

10 Like I said, this one is going to be at
11 the Port of Alexandria, and Alexandria is in the Rapides
12 Parish, which is located in Central Louisiana. The
13 parish unemployment rate is 4.7 as of December, which is
14 equal to the State in December at the same time. The
15 per capita in 2012 was \$39,222, compared to the State
16 per capita, which was \$40,057 dollars, and we're
17 expecting the return of the State's investment within
18 the initial year.

19 Staff recommends approval of this
20 project as a sponsored EDAP Payroll Credit Award. The
21 company will be given two years to achieve their
22 proposed commitment of 72 new jobs with a payroll of
23 4.3-million by 2016. They must retain these jobs
24 throughout the life of the contract with payroll
25 increases as listed above. If the required jobs are

1 created and retained at the stipulated annual payroll
2 levels, then this EDAP will be considered satisfied.
3 However, if the company does not create the projected
4 jobs and payroll on an annual basis, the unearned credit
5 balance for that year will be due and payable to LEDC
6 plus interest. All credits will be based on payroll.

7 If approved by the LEDC Board, the
8 contingencies are as follows: The funding for the
9 project will depend on the availability of LEDC funds
10 allocated by EDAP by the Board at the time of the
11 approval; the project must also be approved by the
12 Division of Administrations Office of Facility, Planning
13 and Control as eligible for Capital Outlay funding; a
14 recorded first lien on the capital equipment offered as
15 collateral must be submitted prior to the reimbursement
16 of the 250,000. With this EDAP, although we do not
17 normally take collateral, because this is a new facility
18 that is coming in, we have asked for collateral, and it
19 will be a generator that will be offered; a minimum
20 capital investment of 56-million subject to verification
21 must occur prior to the reimbursement of the \$250,000
22 award; the parent company, Cool Planet Energy Systems,
23 must give a corporate guaranty for the EDAP; the company
24 also agrees to operate the three facilities for a
25 minimum of 10 years; the EDAP application will have 90

1 days to start the project or will have to appear before
2 the LEDC Board to explain why the project is not
3 underway. And there's a seventh contingency, which I
4 have not put on here, but has been mentioned recently,
5 is that a disclosure of ownership must be filed prior to
6 execution of the contract.

7 If there's any questions, I will take
8 those now, or I can turn it over to Patrick and let him
9 tell you about the project.

10 MR. ROY:

11 Let's see if we have any questions thus
12 far. Questions or comments?

13 (No response.)

14 MR. ROY:

15 Would you like to add anything to her
16 presentation?

17 MR. BLUNT:

18 Thank you, Susan. You did a terrific
19 job. There's not much more to add.

20 As Susan said, this is our first
21 commercial scaled plant. The plant that we talked about
22 before is about 1/20th of this size and is located in
23 the Strawberry Fields in Camarillo, California, and this
24 is coming to Louisiana. We just want to say thank you
25 to all of you for your time today and thank you to the

1 Port of Alexandria, City of Alexandria and Rick Ranson,
2 specifically. It's been a tremendous experience for us.

3 MR. SIMPSON:

4 Is this considered a bio fuel?

5 MR. BLUNT:

6 It is. So we talked about two
7 co-products. We talked about the fuel. The fuel comes
8 out of the catalytic process at about 105 to 110 octane,
9 so it's not ready to put in your car, but it's a blend
10 stock for your regular fuel and putting that into your
11 gas tank. We talked about the carbon sequestration. It
12 will reduce the carbon output of that gallon of
13 gasoline, if you look at it, it's about a 10 percent
14 ratio.

15 MR. SIMPSON:

16 And do y'all line up contracts with fuel
17 companies or --

18 MR. BLUNT:

19 Absolutely.

20 MR. SIMPSON:

21 -- or fineries?

22 MR. BLUNT:

23 Yes. We actually have some agreements
24 with ConocoPhillips and...

25 MR. SIMPSON:

1 Awesome.

2 MR. ROY:

3 Anybody else, questions?

4 MR. ANDRE:

5 What is the blend ratio before it gets
6 to the automobile?

7 MR. BLUNT:

8 Well, we're looking at 10 percent right
9 now. That's really based on the California fuel
10 standard for 2020, and that's looking at just the
11 emissions that they're expecting in California. It can
12 be run, I believe, in much greater concentration.

13 MR. ANDRE:

14 I'm sure you've done surveys on the
15 acceptability of that?

16 MR. BLUNT:

17 Yes. Our fuel will have to be certified
18 with the EPA before it can be sold.

19 MR. ANDRE:

20 I have one more question. Can you
21 explain the generator that's being offered as
22 collateral?

23 MR. BLUNT:

24 I was going to ask Susan that as well.

25 We have a lot of equipment that we're

1 going to be putting into the new grounds there at the
2 Port of Alexandria. I'm not 100 percent on the specs of
3 the actual generator. I know that we're still in the --
4 so that can be anywhere from 100 kilowatts to, you know,
5 much larger. It will most likely be a natural gas
6 generator.

7 MR. ANDRE:

8 What drives it?

9 MR. BLUNT:

10 Natural gas. We initially started with
11 diesel generators, a little less expensive, a little
12 easier to operate, but they're not as environmentally
13 friendly.

14 MR. ANDRE:

15 That's a generator for each site; right?

16 MR. BLUNT:

17 Right.

18 MR. ANDRE:

19 And it's going to be offered for all
20 three?

21 MS. BIGNER:

22 There will be a generator at each site
23 that will be offered as a new collateral. Since this is
24 such a new project and it's such a new product to the
25 State, it was in the offer letter that collateral had to

1 be offered, so that's what we had come to the conclusion
2 was that we would put a lien against the generator to
3 cover that collateral requirement.

4 MR. ANDRE:

5 That's a standby generator?

6 MR. BLUNT:

7 It is.

8 MR. ANDRE:

9 What's the capacity?

10 MR. BLUNT:

11 It's not spec'd yet.

12 MR. ROY:

13 Any other questions or comments?

14 MS. THAM:

15 Is this part of a bigger incentive
16 package they're being offered?

17 MS. BIGNER:

18 Yes, it is. There is a copy of the
19 announcement in your package. There was actually two
20 announcements. It's on about like the 19th page. It
21 starts off, "Cool Planet Energy Systems announce
22 168-million investment," and this is on all three
23 facilities. And then directly behind that, three
24 pages -- four pages behind that is on this individual
25 site.

1 And that was another reason we brought
2 Jayson in, too, because he's the one who's handled the
3 project from the very beginning, and before the press
4 releases is a memo from him telling what the exact
5 commitments from the department are. It's going to be
6 an EDAP for 250,000 for this one facility. Quality Jobs
7 Program will be offered, and we're expecting state tax
8 revenue of 5.3.

9 MR. ANDRE:

10 So the other two will be brought before
11 this Board as they're prepared?

12 MS. BIGNER:

13 Yes, sir. Each one will be presented.
14 The second facility has been -- is going to go in at
15 Natchitoches. The third facility, the site has not been
16 established yet, but the department does have approval
17 rights on that site.

18 MS. THAM:

19 What are the other incentives being
20 offered?

21 MS. BIGNER:

22 It's the same for each one of the
23 facilities.

24 MS. THAM:

25 But it's just 250?

1 MS. BIGNER:

2 Yes, ma'am.

3 MS. THAM:

4 The offer is not for any of other
5 facilities?

6 MS. BIGNER:

7 Each facility will get \$250,000 and each
8 facility will be a Quality Jobs contract and the tax
9 revenue will be approximately 5.3 for each one of the
10 facilities. So because we are putting the 250,000,
11 we're expecting to get a return to the State very
12 quickly, within the first year or so, because they have
13 to do the investment first and then we will give them
14 the reimbursement of the 250,000.

15 MR. ROY:

16 You mentioned you had to be certified by
17 EPA and I think the fuel has to be certified.

18 MR. BLUNT:

19 Correct.

20 MR. ROY:

21 I assume that you mean that once the
22 fuel is produced at this particular facility, it has to
23 be -- you've sought and received certification at other
24 facilities on like-blended fuel?

25 MR. BLUNT:

1 Right. We're in the process of fuel
2 certification. It's not something we have to wait for
3 the first plant to be built. We can prove the science
4 by using the same feedstock and go from there.

5 MR. ROY:

6 You sought and received that same
7 certification from EPA at other facilities?

8 MR. BLUNT:

9 We have not, no.

10 MS. BIGNER:

11 Because this is going to be their first
12 facility. The other facility in California is actually
13 their research facility. It's a smaller version, but it
14 has been creating the fuel and the Biochar, so they will
15 be able to use that to get the certification.

16 MR. ROY:

17 So I assume you think that's a nonissue?

18 MR. BLUNT:

19 Correct. Yes. We're in conversations
20 with the EPA and have been for the last couple of years.

21 MR. ROY:

22 Anyone else, questions or comments?

23 (No response.)

24 MR. ROY:

25 Mr. Ranson, would you like to add

1 anything to that?

2 MR. RANSON:

3 I'm here representing the Port of
4 Alexandria and Central Louisiana Economic Development.
5 We enthusiastically support this project. One of the
6 things we do when companies want to relocate, we vet the
7 companies also, and I can say this company has met every
8 obligation that we've asked from them. They're a
9 first-class company. More importantly, the process
10 works. This is their first commercial plant, and it's
11 going to put a lot more barge traffic on the Red River,
12 employ people, and right now, we've literally got the
13 whole world looking at Alexandria because of the
14 performance of this project. So I'm just here to
15 support it. Thank you.

16 MR. ROY:

17 Anything else?

18 (No response.)

19 MR. ROY:

20 Hearing none, is there a motion?

21 MR. MESSER:

22 So moved.

23 MR. ROY:

24 Motion for approval as presented.

25 MS. THAM:

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Second.

MR. SIMPSON:

Second.

MR. ROY:

Second. Any other discussion?

(No response.)

MR. ROY:

Hearing none, all in favor, "aye".

(Several members respond "aye".)

MR. ROY:

All opposed, "nay".

(No response.)

MR. ROY:

Any comments from the public?

(No response.)

MR. ROY:

Hearing none, it passes.

Congratulations. We look forward to hearing about your successes. I'm just curious, Cool Planet, Strawberry Fields, does Paul McCartney own it?

MR. BLUNT:

As I was telling Jayson this morning, Ventura County is basically where all of the Beach Boys' songs were written about.

MR. ROY:

1 Very good. Please keep us posted.

2 MR. BLUNT:

3 Thank you very much.

4 MR. ROY:

5 Next order of business, also EDAP
6 program, Morehouse BioEnergy, LLC and Affiliate
7 Entities, Ms. Bigner.

8 MS. BIGNER:

9 Yes, sir. Morehouse came before the
10 Board back in April of last year and it was approved for
11 a \$1.7-million EDLOP and we're asking -- we've come back
12 to the Board to ask for an additional 500,000. I have
13 Senator Wellsworth here, Brian Moran from Drax, Terry
14 Matthews from the police jury and Kay King from the
15 local Morehouse Economic Development and Kelsey Short,
16 also.

17 MR. ROY:

18 Gentlemen, would you-all like to join
19 us?

20 MS. BIGNER:

21 The original project, Morehouse is
22 putting in \$120-million into the land, the real estate,
23 the equipment and everything, and the original EDLOP was
24 \$1.7-million for equipment. We were using a crane as
25 that collateral. The appraisal on that collateral will

1 be more than sufficient to cover the additional
2 \$500,000, and then the other \$500,000 in the project was
3 for infrastructure and improvements. This \$500,000 was
4 actually earmarked for the road going into the facility.
5 It was actually going to be from CDBG funds, but the
6 time schedule for the CDBG and the schedule for the
7 project did not line up. They needed the funds quicker,
8 so that is the reason why we're coming back and we're
9 asking for the additional \$500,000 for the project.

10 The contingencies from the original
11 contract will stay in mind. The company will provide
12 the State with a first UCC lien on the equipment, and,
13 like I said, it's going to be a Price LogPro crane and
14 component parts and it's supposed to be sufficient to
15 cover the full \$2.2-million. We still will have the
16 corporate guaranty from the company, and in the event
17 the company fails to commence operations, cease
18 operations, transfer ownership of the company or
19 substantially all of its assets to an entity that is not
20 approved by the State or the agreement is terminated for
21 cause, company will make accelerated payments to the
22 State in the amount equal to unpaid and uncredited
23 principal paid on the balance EDLOP plus interest.

24 In return for this \$500,000, LED has
25 asked the contract be extended an additional two years,

1 so that's going to be an additional \$4.8-million in
2 payroll that they will have to create to earn the
3 credits to pay off the additional 500,000.

4 MR. ROY:

5 Any questions or comments?

6 MS. BIGNER:

7 Brian, would you like to say anything?

8 MR. MORAN:

9 Actually, no. Susan, I think you
10 covered it very pretty well. I appreciate you taking
11 the time. As you can see, if you see the two domes out
12 on the Mississippi River, we are very much in
13 construction with our Baton Rouge transport facility as
14 well as our Morehouse plant.

15 MS. BIGNER:

16 I forgot to mention that. I'm sorry.

17 MR. MORAN:

18 Everything is going up very quickly, and
19 as Kate can tell you and as Senator Wellsworth can tell
20 you, we have hundreds of people on site every day, so
21 we're very committed. We are in the process of
22 constructing everything and everything is actually on
23 schedule. So we're looking at Q4 completion of
24 construction, and the issue that we ran into is that
25 once we have construction completed, the road that --

1 Par Road, which is the road coming off of Highway 425,
2 is the only access to our plant, will have hundreds of
3 trucks each day coming and dropping off logs and
4 biomass. And the timing of the CDBG, unfortunately, was
5 going to cause the road to be done well after our plant
6 started to really need the biomass, the supply,
7 essentially for our pellets.

8 MS. BIGNER:

9 And I had forgotten to mention that.
10 I'm sorry.

11 Fifty of these jobs are going to be up
12 in Morehouse Parish, and eight of them are going to be
13 at the port here in Baton Rouge because they're doing a
14 facility here also, a new facility.

15 MR. ROY:

16 Do you think the demand for biomass
17 fuels in Europe will increase in light of the current
18 situation of Russia?

19 MR. MORAN:

20 That's a very good question. I think
21 it's a little bit too early to tell here essentially
22 related to -- the political climate is definitely
23 leaning in a way such that anyone looking for biomass,
24 the largest provider in Europe is Russia. Most of the
25 big power plants that are looking for biomass currently

1 are looking in the US, and the main reasons are:
2 Plentiful supply of wood products; easy access,
3 especially in Western Europe across the ocean. We're
4 projecting each Panamax vessel will take 55,000 metric
5 tons of wood pellets for each shipment; and also the
6 political climate here is a lot easier to work with than
7 Russia. Our parent company is actually the largest
8 electricity provider in the United Kingdom. They
9 provide over seven percent of the UK's electricity. And
10 what we're doing is converting -- of the six units,
11 currently, we've already decided we're going to convert
12 three of the six units to biomass, and we have
13 optimality on the fourth.

14 MR. ROY:

15 Very good.

16 MR. ANDRE:

17 Just a point of curiosity, I've been
18 observing the construction of those storages at the Port
19 of Baton Rouge, why such a configuration?

20 MR. MORAN:

21 Well, the domes themselves, in order to
22 get the same amount of storage using silos, we would
23 have needed just silos all over the place. The dome
24 concept, actually, our parent company used larger domes.
25 They're about 50 percent larger in the UK for the

1 storage facility at the power plant, and they found them
2 to be one of the easiest ways to store. So essentially
3 what it is is they literally built the foundation for
4 it, put the dome in there and then inflated it. So if
5 you went over the bridge over the Mississippi one day
6 and went the next day, we did it overnight so we didn't
7 have people driving off the bridge watching it inflate.
8 So it's supposed to be the best way of storage. Each dome
9 can hold over 40,000 metric tons of pellets, so what our
10 plan is, we have our facility that we're building in
11 Morehouse Parish, we have another plant that we're
12 building in Amite County, Mississippi and we also have
13 our third party that our parent is contracting with to
14 bring in pellets. We actually just signed our first
15 one, which is GCRE, which is Gulf Coast Renewable
16 Energy, I believe. So they'll be bringing in about 100
17 to 120,000 tons to the facility as well. So we will be
18 able to account for up to about 3-million tons per year
19 should we add that much capacity in the area.

20 MR. ANDRE:

21 So it's going to be top-filled from rail
22 cars?

23 MR. MORAN:

24 Correct. And trucks. So it has a truck
25 dump and a rail dump.

1 MR. ANDRE:

2 So it will be bottom unloaded to the
3 marine?

4 MR. MORAN:

5 Yes, exactly. So what ends up happening
6 is, they come out of the bottom and they go literally
7 over a set of warehouses. Community Coffee actually has
8 some of those warehouses at the port, and we really are
9 running a conveyor over those warehouses over to where
10 the ship will be loaded. Correct.

11 MR. ANDRE:

12 The construction on top of the domes, is
13 that good enough support for the conveyor?

14 MR. MORAN:

15 Yes. What that is -- yes. It's
16 called -- I can't remember exactly what it's called, but
17 it's basically -- I am not an engineer, so I cannot
18 speak to all of that, but essentially what that is is we
19 have the two separate domes, so they'll be loading truck
20 and rail, come up on top of the domes and then be fed
21 into the top. And then anytime -- we have basically a
22 big screw at the bottom of the dome that turns and will
23 help to drop the pellets down to the conveyors below to
24 be able to take it out to the ship.

25 MR. ANDRE:

1 Thank you.

2 MR. MORAN:

3 No problem. I'm learning all of this
4 with you.

5 MR. ROY:

6 Anyone else?

7 MR. ANDRE:

8 Mr. Chairman, I move for approval.

9 MR. ROY:

10 Motion for approval as presented.

11 MR. SIMPSON:

12 Second.

13 MR. MESSER:

14 Second.

15 MR. ROY:

16 Any other discussion?

17 (No response.)

18 MR. ROY:

19 Before we vote, perhaps the Senator
20 would like to say something.

21 SENATOR WELLSWORTH:

22 Thank you. That's all I can say. I
23 mean, this area, of course, about six years ago lost IP.
24 Very devastating, and this will, probably timber-wise,
25 will almost do as much as IP was doing. So it's a great

1 project and a real deserving area and I want to thank
2 each and every one of you for your time today. Thank
3 you.

4 MR. ROY:

5 Thank you, Senator.

6 All right. Any comments from the
7 public?

8 (No response.)

9 MR. ROY:

10 Hearing none, all in favor, "aye".

11 (Several members respond "aye".)

12 MR. ROY:

13 All opposed, "nay".

14 (No response.)

15 MR. ROY:

16 Without objection. Congratulations.

17 Please keep us posted.

18 MR. MORAN:

19 Thank you.

20 MR. ROY:

21 All right. Treasurer's Report.

22 MR. ROY:

23 Good morning.

24 MS. TATE:

25 Good morning. Secretary Treasurer's

1 Report as of March 21st, if you turn to Page 2, the
2 Financial Assistance Program for fiscal year '14 had a
3 budget of 40,000. Since there's no projected
4 expenditures or projects, the projected yearend balance
5 is still 40,000. For the State Small Business Credit
6 Initiative program, the '14 budget is 3,253,087 with
7 1,967,626 projected expenditures, which leaves us with a
8 projected yearend balance of 1,275,461.

9 For the Capital Outlay Appropriation,
10 the EDAP Program has a budget of 17,161,895, with
11 projected expenditures of 1,250,000 and the two projects
12 that were approved this morning for 750,000 and the
13 projects that are still under review, the 8,557,500
14 leaves us a projected balance of 6,604,395.

15 The EDRED Appropriation under the
16 Capital Outlay has a budget of 1,354,614, with projected
17 expenditures 439,500, which leaves us with a projected
18 balance of 915,114.

19 The General Appropriation, we have a
20 total fund balance available projected of 17,978,625,
21 which includes the 9.6-million from Vendors Comp, the
22 interest on cash flow investments and the un-obligated
23 fund balance of 5-million, which is detailed out on Page
24 5. And the total projected expenditures is 17,900,241,
25 which leaves us with a projected balance of 78,384.

1 And that's it.

2 MR. ROY:

3 Any questions or comments?

4 MR. SIMPSON:

5 Do we as a Board hope to end the year
6 with a zero balance, or how does -- what is our hopes?

7 MS. VILLA:

8 Regarding the fund balance at the end of
9 fiscal year '14?

10 MR. SIMPSON:

11 Yes.

12 MS. VILLA:

13 I don't know what the Board, you know,
14 in the past has seen to have as a balance.

15 MR. ANDRE:

16 Mr. Chairman, I piggyback on his
17 question. That's a question I ask every time. Are we
18 going to leave money on the table at the end of this
19 fiscal year? What's the status of these projects listed
20 here?

21 MS. VILLA:

22 I think his question deals more with the
23 General Appropriations and our revenue and our expenses.
24 I believe your question goes back to the EDAP projects
25 that we have under review and the expected balance for

1 that, so I think it is two different questions.

2 I know that we have -- you know, we
3 always project what our expected revenues are and what
4 our expected expenses are, and in the past, how much
5 balance is expected. I know last year we had a large
6 balance. I think it largely depends on the amount that
7 we get from Vendors Comp and the amount that we get from
8 our investments that we have and then how much is taken
9 from this funds for operations.

10 And then regarding Mr. Andre's question,
11 Susan, you may know that. She's not in here. I'm
12 sorry.

13 Susan, this past month, has been inquiring
14 on the status of each of these projects, and she does
15 have -- I believe she does have some current information
16 as to where we stand because she did inquire with staff
17 as to where each of those projects were as far as in the
18 process. She may be able to come back and answer that
19 question.

20 Brenda, is that from past experience
21 regarding the general appropriations?

22 MS. GUESS:

23 Yes, that's correct. We always have a
24 balance to carry forward, especially when we are relying
25 on those allocated funds for either expenses and/or

1 operations. The EDAPs and the EDLOPs -- and Susan is
2 back -- as she mentioned, Susan has recently looked into
3 inquiring with each of the project managers as to the
4 status of a lot of those projects. And, Susan, are we
5 anticipating some of these coming to fruition before the
6 end of the fiscal year?

7 MS. BIGNER:

8 I have spoken to Paperworks Industry and
9 Crest Industries and Danos. Danos, I'm expecting
10 probably within the next two to three weeks. As far as
11 Paperworks Industry and Crest Industries, probably
12 within the next two months. Avalon Rare Metals is
13 probably not going to happen until next year. American
14 Tank, they are -- there is an issue with how quick the
15 employees are going to be hired, and so the project
16 manager and the company are discussing that. I have the
17 application, but until they clear that issue up, then I
18 cannot proceed. I'm expecting that to be cleared within
19 the next two weeks. And so right now, that's what I'm
20 expecting from those projects. As far as CF Industries
21 and Boyd, I'm not really sure. I haven't heard.
22 There's not been a whole lot of talking traffic, so I'm
23 not sure about those two.

24 MR. ANDRE:

25 What is the scope of the CF Industries

1 project?

2 MS. BIGNER:

3 I'm sorry?

4 MR. ANDREW:

5 What is the scope of the project for CF
6 Industries? Is that a plant expansion?

7 MS. BIGNER:

8 I believe it is.

9 MR. ROY:

10 So if we did, let's say, 5-million --

11 MS. BIGNER:

12 I expect -- before the end of the year,
13 I expect Danos, American Tank, Paperworks, Crest
14 Industries -- DMC, I talked to them probably about three
15 weeks ago or so. I'm not sure about that one, but the
16 other four, I would say probably before the end of the
17 fiscal year.

18 MR. ROY:

19 So if we do that, what's the approximate
20 amount we would be ending the year with?

21 MS. VILLA:

22 The balance would probably be about
23 9.6-million if I do the math quickly in my head, because
24 that's about 3-million that she said would possibly come
25 through before the end of year, roughly, so that would

1 be -- I'm sorry. The projected yearend balance would
2 still be the same, but those would just be converted
3 from projects under review to actually approved
4 projects. And, also, we can't -- we have EDAPs that are
5 actually out, you know, that we have proposals, but we
6 can't disclose those to the Board until these are
7 announced as projects, so those aren't anywhere in these
8 numbers.

9 MS. BIGNER:

10 That's correct.

11 MR. ANDRE:

12 Can you tell us anything about DMC?

13 MS. BIGNER:

14 Not off the top of my head. I
15 apologize. I think they've changed the name on that one
16 to Setpoint.

17 MR. ANDRE:

18 I'm familiar with that one. DMC bought
19 Carter Chambers and they emerged. I didn't know what
20 our part of the investment was.

21 MS. BIGNER:

22 Yes, sir. I'm sorry. Off the top of my
23 head, I just cannot remember.

24 MR. ROY:

25 Ms. Villa, are we trying to utilize as

1 much of the balance as we can?

2 MS. VILLA:

3 Right. Like the balance doesn't include
4 the 5-million Priority II cash line of credit that we
5 have in FY '14. A lot of that was approved back in the
6 October Bond Commission, but it doesn't include that
7 5-million, either. Okay. So there's actually 5-million
8 more that was approved in the Bond Commission in October
9 that's not in that balance, so I believe it's more.
10 It's going to be more around like the 11-million mark
11 that would take us into '15.

12 MR. ROY:

13 Based on the deals that you can't quite
14 tell us about yet, what do we anticipate in terms of
15 balance for the future?

16 MS. VILLA:

17 Susan, I don't know the scale of those.
18 I don't remember any of them being significantly large.
19 I don't know if you recall off the top of your head.

20 MS. BIGNER:

21 No, not right off the top of my head.
22 I'm sorry. I mean, I can get you the information if
23 you'd like, but I've got so much other stuff in my head
24 right now.

25 MR. ROY:

1 are supposed to be submitting. One of them is a drywall
2 project that came through Brian Wilkinson. Susan just
3 brought it in. It came in this week. Also, there is a
4 riverboat deal that's being kicked around really hard
5 that's supposed to be in that's going to be with a
6 maximum guaranty of a million and a half. And there's
7 some other things that are in the pipeline that I was
8 told to take a gander at that they're planning on
9 submitting. If you look at what the tide kickers, as I
10 call it, as well as combined with those that are
11 unannounced that look like they're coming to fruition,
12 it's about four or five projects right now.

13 MS. GUESS:

14 And it may be a bit more than that
15 because we just concluded a two-week whirlwind banker's
16 workshop throughout the State and all of the loan offers
17 have been fielding calls every day since we've been back
18 and it was quite successful. The banks in North
19 Louisiana, even the banks in Central Louisiana were able
20 to get some -- we hope we will be able to get some
21 traction as a result of workshops. The ones in
22 Metairie, we went to Hammond, Lake Charles, Alexandria,
23 Lafayette, Shreveport, Monroe and so we're seeing now
24 those banks that had not previously participated in the
25 program or even some of the loan officers weren't even

1 aware that their respective banks actually had done
2 deals somewhere else in the state, other than in their
3 respective areas, so it piqued their interest. And when
4 they saw that, they're "Oh, hey, Iberia Bank in
5 Lafayette utilized our bank," or Red River Bank realized
6 that someone had utilized us in another part the State,
7 so now they're verifying with their peers exactly how
8 was your experience. And in each of our workshops held,
9 we had -- some or most of them, we had personal
10 testimonials on our PowerPoint slide, but we also had
11 some banks that were in attendance that had utilized the
12 program, so we feel that we're going to be getting some
13 good traction. And, right now, we're fielding
14 questions, we're getting what-if scenarios, you know,
15 I've got this deal, and we're vetting a lot of things
16 over the phone with potential situations that the
17 bankers are considering.

18 We did find out that a lot of the banks
19 are getting a bit disenchanted with SBA. They mentioned
20 the amount of fees that they're charging, and now our no
21 fees is really getting their attention. Our quick
22 turnaround time and the ability to pick up the phone and
23 call and speak to someone on a one-on-one basis is
24 another good selling point that the bankers feel most
25 comfortable with. Even having to come to the Board

1 meeting and sit and make a presentation and be a part of
2 the presentation and interact with the Board members
3 along with the company is one of the things that we've
4 seen, you know, go from, what's she doing, "I have to go
5 to Baton Rouge," to, "Yes, I want to come." So that
6 way, they'll leave here with the positive response and
7 hopefully an approval that same day, so we would think
8 that soon we'll be having a lot more deals.

9 MR. ROY:

10 Very good. Was that in connection with
11 the LBA regional meetings? Are you piggybacking with
12 them?

13 MS. GUESS:

14 No, they weren't. These were workshops
15 that were set up through the local SBDC state-wide, and
16 was also with the assistance of the two consultants that
17 were hired by Treasury to work with us on our marketing
18 campaign. So the next time we will be involved with a
19 LBA-sponsored activity, and I think that's the
20 granddaddy of them all, is where we'll get all of the
21 bankers at the LBA convention in May. And I've been
22 dropping that you're going to be there and their
23 interest is piquing and so we'll have probably the
24 largest audience of bankers that we will have had thus
25 far, so we hope to make that a very worthwhile

1 presentation.

2 MR. ROY:

3 Very good.

4 MR. BROUSSARD:

5 You mentioned the Louisiana Bankers
6 Association. If you receive the online newsletter from
7 LBA, check it out. We have an article in there with a
8 picture of Seth and I awarding Farmer's Merchants Bank
9 and Mark Sibley the LEDC Bank of the Year for
10 utilization of the Loan Guaranty Program. A nice little
11 write-up and nice picture.

12 MR. ROY:

13 Very good.

14 Okay. Any other questions or comments
15 on the Treasurer's Report?

16 (No response.)

17 MR. ROY:

18 Hearing none, I'll entertain a motion to
19 accept the Treasurer's Report.

20 MR. ANDRE:

21 So moved.

22 MR. ROY:

23 Any second?

24 MS. THAM:

25 Second.

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MR. ROY:

Any discussion?

(No response.)

MR. ROY:

Hearing none, all in favor, "aye".

(Several members respond "aye".)

MR. ROY:

All opposed, "nay".

(No response.)

MR. ROY:

Without objection. Thank you.

Any comments from the public?

(No response.)

MR. ROY:

The Accountant's Report, Mr. Smith.

MR. SMITH:

Good morning.

MR. ROY:

Good morning.

MR. SMITH:

LEDC status report as of January 31st,
2014: Total Direct Loans, we have one current direct
loan, AvEx. They've paid on time every month. There's
no issue there. We still MV Realty, where there was a
participation loan on this deal, in the past due column.

1 The next one is the Total EDLOP loans. We have total as
2 of the end of January 1,366,286. We currently have
3 four. They, again, pay on time.

4 The LEDC Guaranty Loan Program has a
5 total as of the end of January 1,796,563. We are down
6 to five loans, all current. There's no problems. I
7 think as of the next report, we'll see this will be
8 four, with one of these completely paid out, which is
9 good news.

10 Allowance for Participation Loans,
11 Participation and Direct, we have a total reserve as of
12 end of January, 360,285. Allowance for EDLOP and EDAP,
13 as of end of January 204,942. Allowance for Guaranty
14 Loans at the end of January, 507,763.

15 The next one we get to is the SSBCI
16 loans that we currently have as of the end of January.
17 We currently have seven. I still show seven loans for
18 2,361,284 as the current balance as of January 31st.
19 There is -- I think we were talking about testimonials,
20 I spoke with, I think, Home Shield Preservation is one
21 of the companies that we list here, but that loan is
22 completed. They had two loans, and they're going to be
23 completely paid out as of the next report, and they
24 asked if we could use them as a testimonial.

25 MS. GUESS:

1 Sure.

2 MR. SMITH:

3 And, also, the two that are past due, we
4 have Syntek Global and M&M. I had the opportunity in
5 New Orleans to speak with the banker. I'm sure that
6 Xenotech will fall off my past due. It's past due as of
7 the end of January, but I'm sure the next report,
8 they're supposed to be back on track is what I'm told by
9 the banker I spoke with last week. And M&M, they're in
10 the process of some type of workout with them, maybe in
11 the form of interest only. I'm not really sure. Seth
12 may comment more on that one, but I have it showing
13 because they are, as far as I'm concerned, past due.

14 MR. BROWN:

15 M&M has had problems. I think to brief
16 you on what they do, M&M had a line of credit with us,
17 and what they were doing is, in New Orleans, they have
18 this grant called Hazard Mitigation Grant where they
19 elevated properties around the city; okay, and, well,
20 that grant has been problematic with paying off, and the
21 revenue stream from the grant was to pay the line. So
22 what the owner is doing now to pay it off, he's
23 bootstrapping. He's using his money from proceeds, from
24 sales, from other places to pay this off. So TruFund
25 Financial, which was Seedco, who initially did the loan,

1 they're doing a workout with them. So they're paying
2 this balance down and they closed the line, so it's
3 going to show past due, but eventually it's going
4 to level out. Every month, there should be some amount
5 of the balance that's going down because he's paying on
6 it. And there's some concerns because the banker is
7 worried about -- we did the lines with dechnations with
8 them, so we might have to go back and revisit that with
9 the dechnations because the next one that comes up is in
10 July. He lost 75 percent of the guaranty the 1st of
11 July of last year, in July of last year, and the bank is
12 concerned about -- well, the lender is concerned about
13 losing another 25 percent, another third, which would
14 bring it down to a 25 percent guaranty, but I don't want
15 them to kill his deal and call it if these people are
16 paying it down and it's consistently going down, so we
17 may have to, you know, do some type of workout with them
18 as well, you know, but that's essentially what's going
19 on with that one.

20 MR. ROY:

21 Okay. Questions or comments?

22 (No response.)

23 MR. ROY:

24 Anything else, Mr. Smith?

25 MR. SMITH:

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No, sir.

MR. ROY:

Hearing none, a motion to accept the
Accountant's Report?

MR. ANDRE:

So moved.

MR. ROY:

Motion to accept as presented.

MS. THAM:

Second.

MR. ROY:

Second. Any discussion?

(No response.)

MR. ROY:

Hearing none, all in favor, "aye".

(Several members respond "aye".)

MR. ROY:

All opposed, "nay".

(No response.)

MR. ROY:

Without objection.

Mr. Messer had to leave. Is anyone
going to -- okay. We will defer the President's Report
until the next meeting.

Any other business?

1 (No response.)

2 MR. ROY:

3 All right. Hearing none, I'll entertain
4 a motion to adjourn.

5 MR. ANDRE:

6 So moved.

7 MR. ROY:

8 Motion to adjourn.

9 MS. THAM:

10 Second.

11 MR. ROY:

12 All in favor, "aye".

13 (Several members respond "aye".)

14 MR. ROY:

15 All opposed, "nay".

16 (No response.)

17 MR. ROY:

18 Without objection.

19 (Meeting concludes at 10:23 a.m.)

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1 REPORTER'S CERTIFICATE:

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3 I, ELICIA H. WOODWORTH, Certified Court
4 Reporter in and for the State of Louisiana, as the
5 officer before whom this meeting for the Finance
6 Committee of the Louisiana Economic Development
7 Corporation, do hereby certify that this meeting was
8 reported by me in the stenotype reporting method, was
9 prepared and transcribed by me or under my personal
10 direction and supervision, and is a true and correct
11 transcript to the best of my ability and understanding;

12 That the transcript has been prepared in
13 compliance with transcript format required by statute or
14 by rules of the board, that I have acted in compliance
15 with the prohibition on contractual relationships, as
16 defined by Louisiana Code of Civil Procedure Article
17 1434 and in rules and advisory opinions of the board;

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

21
22 Dated this 31st day of March, 2014.

23 _____
24 ELICIA H. WOODWORTH, CCR
25 CERTIFIED COURT REPORTER