

Selected Economic Highlights for 2009

Dec. 31, 2009

The Economic Year in Review: Continuing a trend that began early last year, Louisiana's economy in 2009 once again outperformed the South and the nation. Unemployment rates remained well below that of the South and U.S., and employment held relatively stable, down about one percent since January 2008 versus about five percent for the South and U.S. overall. Despite the national recession, business development results for 2009 were even better than in 2008, which itself was an award-winning year. Dozens of companies announced significant expansions or relocations in 2009, kicking off projects that will result in more than 21,000 new jobs, \$2.5 billion in new capital investment, \$53 million per year in new state tax revenues, and billions of dollars in new sales for small businesses. Recent corporate headquarters successes continued, with several expansions as well as new additions to the Fortune 500 and 1000 lists. National rankings improved again, while new programs and policy reforms increased Louisiana's economic competitiveness. Although the nation awaits a significant jobs recovery, Louisiana is well positioned to secure new business investment in 2010 and will experience significant job growth from projects announced in 2008 and 2009. In the year ahead, business retention efforts will remain a top priority for Louisiana Economic Development, which also will expand its focus on cultivating new growth industries.

Outperforming the U.S. and the South

By any reasonable measure, Louisiana's economy has outperformed the South and the U.S. since the beginning of the national recession.

- Louisiana's unemployment rate has remained well below the South and the U.S. every month since the beginning of the national recession. Our state's unemployment rate was 6.7 percent in November 2009, well below the 9.3 percent Southern average and 10.0 percent national average.
- According to Portfolio.com, Louisiana fared second best among all 50 states and the District of Columbia during the recession. The analysis was based on job growth, current unemployment, wage growth, home value growth, construction job growth and income growth.
- Moody's Economy.com, an economic forecasting firm, recently recognized Louisiana as one of only 11 states it says are already recovering from the recession.
- Thanks in large part to Louisiana's economic performance, the U.S. Census indicated that Louisiana experienced its third year in a row of net population in-migration, including over 18,000 more people moving to Louisiana from other states than out of Louisiana from July 2008 to July 2009. In addition, Louisiana's population increased by 0.9 percent, or 40,600 people, over the same time period, the 21st fastest growth rate in the nation.
- Mayflower Transit's "2009 Customer Relocation Study" revealed that Louisiana ranked 11th best overall when comparing inbound relocations to outbound relocations from January to August 2009, and United Van Lines' 2009 mid-year migration analysis ranked Louisiana sixth best overall and second best in the South when comparing inbound shipments to outbound shipments from January to June 2009.

- Louisiana's real estate markets have remained strong, especially in contrast to those of other states in the South and U.S. In PMI's Market Risk Index for Q3 2009, all of Louisiana's major metropolitan areas have a minimal or low risk of lower home prices over the next two years. In contrast, nearly half of the nation's metropolitan areas are expected to have high or elevated risk of declines.
- FDIC data reveal Louisiana's 158 banks and thrifts reported a 13.6 percent increase in net loans and leases during the recession (through September 2009), compared to the national decline of 7.8 percent. Louisiana's banks also had higher asset growth (13.6 percent versus 1.6 percent) than the U.S during the recession. From Q2 to Q3 2009, Louisiana's net loans and leases rose 0.6 percent, compared to a 3 percent national decline; assets grew by 1.5 percent, while the nation's declined by 0.4 percent.

Moving up in the national rankings of states

Louisiana traditionally has been listed near the bottom of many significant national rankings, but this trend started to change in a very positive direction in 2008 and continued in 2009. Over the last two years, Louisiana has moved up in almost every major economic and business-climate ranking.

- In July 2009, *Southern Business & Development* magazine named Louisiana "Co-state of the Year," noting that Louisiana attracted more significant business investment and job-creating projects per capita than any other state in the South.
- Comprehensive governmental ethics reforms implemented by Gov. Jindal and the Legislature catapulted Louisiana to first from 44th in the country in the Center for Public Integrity's legislative financial disclosure rankings.
- Louisiana finished in the top 25 for the second consecutive year in *Site Selection* magazine's "Top State Business Climate Rankings."
- Louisiana jumped five spots in the *Forbes* ranking of "Best States for Business" to its highest rank ever, and the state ranked eighth best in the country for its growth prospects.
- MainStreet.com's "Happiness Index" ranked Louisiana as the fifth happiest state, thanks to relatively low rates of non-mortgage debt, unemployment and foreclosures.
- Citing effective fiscal management, both Fitch and Standard & Poor's recently upgraded Louisiana's bond rating, and Moody's raised the state's outlook from "stable" to "positive."
- Louisiana moved up to 27th from 40th over the last year in Pollina Corporate's "Top 10 Pro-Business States" ranking, due in large part to more aggressive business recruitment and marketing efforts.
- Louisiana climbed three spots to 26th in 2009 in the Small Business and Entrepreneurship Council's "Business Tax Index."
- Louisiana rose in both sections of the American Legislative Exchange Council's "Laffer State Economic Competitiveness Index." Louisiana rose to 18th in 2009 from 21st in 2008 (revised rank of 24th) for Economic Outlook and rose to 35th in 2009 from 43rd in 2008 for Economic Performance.
- The Southern Economic Development Council awarded Louisiana the Excellent Award for *Louisiana Economic Quarterly*[®] and two Merit awards for Louisiana's national economic-development print campaigns.

Moving up in the national rankings of cities and regions

As Louisiana has begun a steady climb up the major national business-climate and economic rankings, so too have its cities and regions, which are garnering more and more positive national attention.

- **Northwest Louisiana.** The Milken Institute ranked Shreveport-Bossier the 24th "Best-Performing Large City" in 2009, up from its 2008 rank of 67th, and Milken ranked Shreveport-Bossier eighth for high-tech GDP growth. Shreveport also was named by *U.S. News and World Report* as one of the ten "Best Places to Find a Job for 2009," and NewGeography.com ranked Shreveport-Bossier eighth in its 2009 list of "Best Medium Sized Cities for Jobs."
- **Northeast Louisiana.** The Milken Institute placed Monroe 18th for job growth from March 2008 to March 2009 on its "Best-Performing Cities" ranking. Northeast Louisiana is expected to be the fastest growing region in Louisiana for the next two years, thanks primarily to several major recent economic-development wins that have garnered national attention.
- **Central Region.** *Forbes* ranked Alexandria 24th out of 179 communities for the cost of doing business in its 2009 "Best Small Places for Business and Careers" ranking. Alexandria also made huge strides according to the Milken Institute, jumping more than 40 spots to 31st place in the 2009 "Best Small City" ranking. The Milken Institute also ranked Alexandria seventh best for one-year job growth and 10th for one-year wage and salary growth.
- **Southwest Louisiana.** *BusinessWeek* named Lakes Charles one of "America's Best Places to Raise Your Kids," a ranking based on job growth and quality of life factors. *Southern Business & Development* magazine ranked the 1,400-job Shaw Modular Solutions project to build components in Lake Charles for nuclear reactors at No. 4 on its list of "Top 10 Deals."
- **Acadiana Region.** *Fortune Small Business* ranked Lafayette second out of 20 mid-sized markets in the nation for small business startups. In addition, the Milken Institute ranked Lafayette the ninth "Best Performing Large City," up from 14th in 2008. NewGeography.com and *Forbes* placed Lafayette third in the 2009 ranking of the "Best Mid-sized Cities for Job Growth."
- **Capital Region.** *Forbes* ranked Baton Rouge 10th best on its "America's Fastest-Recovering Cities" ranking, and the city placed 18th on Milken Institute's "Best-Performing Cities" Index, up from 40th in 2008. In addition, the Brookings Institution rated the Baton Rouge area's economic performance among the 20 strongest in the nation for the third quarter of 2009. *Southern Business & Development* magazine named Baton Rouge "Mid-Market of the Year," and NewGeography.com and *Forbes* ranked Baton Rouge seventh best in the 2009 list of "Best Mid-sized Cities for Jobs."
- **Bayou Region.** The Milken Institute ranked the Houma-Thibodaux MSA as the 19th "Best-Performing Small City," and *Southern Business & Development* magazine recognized Terrebonne Parish as one of the South's top small markets.
- **Southeast Louisiana.** *Southern Business & Development* magazine named New Orleans the "Major Market of the Year." *Forbes* ranked the New Orleans area eighth in the "Top 10 Cities Where Americans Are Relocating," and Next Generation Consulting named New Orleans the 10th best "Midsize Magnet" for young professionals to live and work. *Fast Company* included New Orleans-based The Receivables Exchange on its list of the eight startups "brimming with hope for the financial industry," and various publications highlighted the post-Katrina economic renaissance taking place in the New Orleans area.

Bucking national trends: a terrific year for business investment and job creation

While the nation shed jobs in 2009, dozens of companies said "yes" to Louisiana, committing thousands of new jobs and billions in new capital investment.

- Working with its local and regional partners, LED secured 33 major project wins in 2009, including 23 expansions and 10 new projects. Included were projects in Louisiana's traditional industries, such as oilfield services and petrochemicals, as well as projects in new growth industries, such as advanced manufacturing and pharmaceutical manufacturing.
- Altogether these 33 projects will generate nearly 7,900 retained jobs, more than 8,100 direct new jobs and 21,400 total new jobs (including direct and indirect jobs), as well as \$2.5 billion in new capital investment. The new job totals are nearly 25 percent greater than those announced in 2008.
- Once these projects are fully executed, they will result in billions in new sales for Louisiana small businesses, as well as \$53 million per year in new state tax revenue.
- The totals above exclude the direct support LED provided to thousands of small businesses in 2009, including nearly 1,400 small businesses served by LED's Small and Emerging Business Development Program, nearly 14,000 small businesses and individuals served by the Louisiana Small Business Development Centers Network, or LSBDC, with increased funding support from LED, and nearly 800 small businesses that received business recovery grants and/or loans from LED's Business Recovery Grant and Loan Program. Through November 2009, LED and LSBDC efforts alone generated approximately 2,250 new jobs, 220 new businesses, and approximately \$200 million in capital investment for small businesses.

Reversing a historical trend: creating more corporate headquarters jobs in Louisiana

Throughout previous decades, Louisiana lost a significant number of its corporate headquarters, but this trend was reversed in 2008 and 2009. Several companies officially opened their new headquarters in Louisiana, while others committed to stay and expand in Louisiana.

- Monroe-based CenturyTel and Kansas-based EMBARQ Corp. merged in 2009, forming the fourth-largest telecommunications company in the U.S., CenturyLink. LED provided incentives to successfully secure the new CenturyLink corporate headquarters in Louisiana, as well as a commitment by the company to add 350 new professional jobs over the next four years. CenturyLink will soon join Entergy and The Shaw Group on the list of Fortune 500 companies headquartered in Louisiana.
- Louisiana's list of Fortune 1000 headquarters recently grew by two: Albemarle Corp. completed the move of its corporate headquarters from Virginia to Louisiana, while Superior Energy Services joined the Fortune 1000 list just this year. Pool Corp. continues as a Louisiana-based Fortune 1000 company.
- Schlumberger announced the expansion and consolidation of its regional business operations into a single oil-field services headquarters in Shreveport. Bringing \$48 million in capital investment, the project will retain 120 jobs and create 400 new jobs.
- Barksdale Air Force Base in Shreveport was selected as the home for the U.S. Air Force Global Strike Command, the new controlling entity of the U.S. Air Force's nuclear bombers and missiles. The announcement means more than 1,000 new direct jobs for the area and thousands of ancillary jobs, most within the next year.

- Bercen Inc., a specialty chemicals manufacturer, officially opened its new corporate headquarters in 2009, as well as its research and development and technical service laboratories, after deciding to relocate from Rhode Island to Louisiana.

Cultivating new growth industries

LED's top priority is retaining and growing Louisiana's existing companies, yet LED also is focusing significant attention on cultivating new industries that will diversify our economy and accelerate economic growth. This year brought several exciting business development wins in new growth industries, including digital effects, value-added agribusiness, next-generation automotive manufacturing and pharmaceutical manufacturing. Following are a few selected examples.

- V-Vehicle Co., a new American car company, selected Monroe as the site for its first automotive assembly facility, which will build environmentally friendly, high-quality and fuel-efficient cars for the American market. The project is backed by some of today's most successful investors, including Silicon Valley venture capital firm Kleiner Perkins Caufield and Byers and Google Ventures. The project will create approximately 1,400 direct new jobs, as well as a \$248 million capital investment, making V-Vehicle one of Louisiana's top 30 economic-driver firms.
- Ochsner Medical Center announced a partnership with The University of Queensland School of Medicine, which is the first of its kind in the U.S. The partnership will create The University of Queensland School of Medicine Ochsner campus, resulting in an increased enrollment of 240 medical students for the area and a boost for our state's healthcare economy.
- Fortune 500 company ConAgra Foods recently announced it will construct the world's first large-scale processing facility dedicated to producing high-quality, frozen sweet potato products, creating 500 to 600 new direct jobs and up to \$256 million in capital investment.
- Pixel Magic, a California-based digital effects company, announced a new digital media studio at Louisiana Immersive Technologies Enterprise's business accelerator in Lafayette. The company, with prior film credits such as *Marley & Me*, *Get Smart* and *Mr. and Mrs. Smith*, plans to create 40 jobs, strengthening Louisiana's position in the digital media industry.
- Dr. Reddy's Laboratories Ltd., an emerging global pharmaceutical company, will expand its Shreveport operations to support multiple new products. The project will create 73 jobs, retain 161 jobs and provide \$16.5 million in capital investment. The expansion builds upon Shreveport's existing industry strengths in healthcare, biotech and pharmaceutical manufacturing.

Enhancing state economic competitiveness

Gov. Jindal, the Louisiana Legislature and LED pursued a variety of initiatives in 2009 that have improved Louisiana's economic competitiveness, making our state more attractive for new business investment today and in the future. These initiatives build on reforms adopted in the prior year, including provisions that eliminated the sales tax on manufacturing machinery and equipment, the franchise tax on corporate debt, and the sales tax on natural gas and business utilities.

- Recognizing the importance of maintaining the competitiveness of Louisiana's existing industry base, Gov. Jindal and the Legislature created the Retention and Modernization Act, which will provide refundable tax credits of five percent on expenditures related to qualified modernization projects at

Louisiana business facilities, allocated in equal portions over five years.

- Gov. Jindal and the Legislature eliminated the capital gains tax on the sale of privately held businesses, encouraging successful entrepreneurs to remain in Louisiana as their businesses grow rather than moving to other states, such as Texas or Florida, to avoid onerous capital gains taxes.
- Gov. Jindal and the Legislature also worked together to enhance the competitiveness of Louisiana's Research and Development Tax Credit Program, extending the program through 2014 and doubling its value for small and emerging businesses with fewer than 50 employees.
- Supporting small business development throughout Louisiana, Gov. Jindal and the Legislature eliminated the minimum corporate franchise tax to end an onerous, unnecessary fee for thousands of small businesses across our state.
- Recognizing the importance of small business to Louisiana's economy, Gov. Jindal and the Legislature increased funding for a variety of small business programs by 30 percent, including funding for small business development centers, the Small and Emerging Business Development Program, and business incubators across Louisiana. As a result, approximately 500 additional small businesses are being helped during this fiscal year versus the prior year.
- Gov. Jindal and the Legislature created the Louisiana Innovation Council, or LIC, to shape an innovation-based vision for Louisiana and to coordinate the statewide innovation agenda, including activities related to targeted research investments, technology commercialization, entrepreneurship services, venture capital, and the development of new, high-growth industry segments. Already the LIC is identifying the next growth industries for Louisiana and developing a strategy to further cultivate centers of research excellence in Louisiana.
- Accelerating the development of Louisiana's rapidly growing entertainment industries, Gov. Jindal and the Legislature took action to dramatically enhance the state's tax credit programs for film production and digital-interactive media, significantly increasing the value of the tax credits and making the programs permanent.
- Gov. Jindal and the Legislature worked to support development of port-related infrastructure by establishing a new Ports of Louisiana Investor Tax Credit Program that provides tax credits of five percent per year and up to 100 percent total over 20 years toward the capital costs of certain projects at public ports.
- Recognizing the importance of increasing community competitiveness, LED launched the Louisiana Development Ready Communities pilot program in October 2009. This LED program is enabling 12 communities (Arcadia; Crowley; DeRidder; Houma; Jena; Mansfield with Grand Cane, Logansport and Stonewall; New Iberia; Pineville; Slidell; Vivian; West Monroe; and Zachary) to complete an intensive six-month process to position themselves to more effectively compete with out-of-state communities for good jobs and business investment.
- Entering year two of implementing Gov. Jindal's workforce development reform plan, LED completed a full launch of Louisiana FastStart™. Building on the expertise of national-caliber corporate training experts recruited from around the country, Louisiana FastStart quickly developed a reputation as a first-class workforce solutions provider, receiving positive news coverage in regional, national, and international publications. Louisiana FastStart is executing over a dozen pilot projects – already more than 11,000 hours of training have been delivered to over 1,000 trainees around Louisiana – and will shift into full operations in 2010.

- Recognizing the importance of Louisiana's existing businesses and industries, LED fully staffed and launched its Business Expansion and Retention Group, or BERG, in 2009. During BERG's first year of operation, it partnered with local and regional economic development allies to visit nearly 500 companies, and secured a variety of significant retention and expansion wins, including the relocation of pump and compressor manufacturing operations from Wisconsin to Louisiana of Gardner Denver, a Fortune 1000 company.

The year ahead: maintaining Louisiana's economic outperformance

Although the national recession and tight credit markets dramatically reduced the nation's pipeline of new business prospects in 2009, Louisiana nevertheless is well positioned to secure significant new business investment in the year ahead, and LED is pursuing targeted initiatives to increase Louisiana's economic competitiveness, retain Louisiana's existing economic-driver firms, support small business development, and cultivate new growth industries.

While further developing LED's recently launched priority initiatives (e.g., Louisiana FastStart, BERG, State Economic Competitiveness Group, Louisiana Development-Ready Communities Program), LED's signature initiative in 2010 will be to finalize and begin aggressive execution of a new Blue Ocean target industry initiative, the ultimate goal of which is to position Louisiana to grow jobs at a rate faster than the South and the U.S. on a regular basis. The Blue Ocean initiative is a strategy project designed to: (a) identify the state's best narrowly defined growth industries of the future (industries with significant growth potential in which no states have yet cemented a commanding leadership position); and (b) develop and execute action plans to cultivate each of these sectors. Preliminary state targets include the following industry segments:

- Digital media / software development (including selected segments within healthcare IT, education IT, video-game development, and possibly eReaders)
- Next-generation automotive manufacturing (e.g., electric vehicles, composites manufacturing)
- Specialty healthcare (medical corridor(s), obesity/diabetes research and treatment, pharmaceutical manufacturing)
- Renewables and energy efficiency (green building/manufacturing, hydropower, algae-based energy production, nuclear power module manufacturing)
- Water management (developing a world-class water-management industry – Netherlands of the U.S.)
- Next wave oil & gas (ultra deep water oil, unconventional natural gas, enhanced oil recovery)

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

Appendix

Introduction

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

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

For each business incentive and assistance program, a brief description of the program’s objective and calendar year 2009 performance information are included. The performance information highlights 2009 activity levels and illustrates the impact being delivered through the various programs.

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

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

Small Business Development Centers

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

Businesses Receiving Counseling by SBDCs: 4,962

Individuals Trained by SBDCs:	6,682
Business Starts by SBDC Clients:	265
Direct Jobs Created by SBDC Clients:	2,405
Loans Received by Small Businesses Assisted at SBDCs (\$million):	209

Small and Emerging Business Development Program

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

Technical Assistance Provided to Certified Businesses:	334
Percentage by which Assisted Certified Businesses 2-Year Survival Rate Exceeds Similar Businesses:*	10.6%

*This figure represents FY 08-09

Small Business Loan Program

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

New Projects:	7
Total Bank Loans to Businesses (\$million):	7.8
New Permanent Direct Jobs:	55
Retained Jobs:	170

Small Business Bonding Assistance Program

The Small Business Bonding Assistance Program aids certified small and emerging businesses in reaching the bonding capacity required for specific projects. When a qualified Small and

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

New Projects:	22
Total Bond Guarantees Provided (\$million):	2.8
Value of Projects Guaranteed (\$million):	13.3

Hudson Initiative and Veteran’s Initiative

The Hudson Initiative provides Louisiana small businesses meeting the criteria of small entrepreneurships with greater potential for access to state procurement and public contract opportunities. The Veteran’s Initiative does the same thing for businesses that are at least 51% owned by Veterans and/or Service-Connected Disabled Veterans. The Hudson Initiative began in 2006, and the Veteran’s Initiative began taking applications for the program on Veteran’s Day (November, 2009).

Small Entrepreneurships Certified:	699
Veteran Owned Businesses Certified:	50
Service-Connected Disabled Veteran Owned Businesses Certified:	26

Microenterprise Development Program

Louisiana Economic Development, in conjunction with the Louisiana Department of Social Services, created the Microenterprise Development program to provide self-employment training that gives entrepreneurs the competitive advantage they need to succeed. The program helps to:

- Provide an innovative path out of poverty
- Create self-sufficiency
- Improve the survival rate of microenterprise businesses
- Improve employment skills
- Promote economic development

Working with partners across the state, the program begins with a comprehensive assessment. Once complete, participants begin a two-to-three month business development course that includes entrepreneurship training, personal effectiveness, financial literacy and technical assistance. Part of the course also includes writing a business plan. Upon successful completion

of the program and application process, participants become eligible to apply for seed funding to assist in supplementing business startup costs.

Entrepreneurs Trained:	402
Funding Provided to Trained Entrepreneurs (\$million):	0.56

Angel Investor Tax Credit Program

The Angel Investor Tax Credit Program fosters the availability of capital to entrepreneurs and or new or growing business enterprises. The program provides a refundable tax credit up to 50% on investments in certain early-stage wealth-creating Louisiana-based businesses, 20% of that can be claimed in any tax year. The cap on the program is \$5 million per year. This program sunset on December 31, 2009.

Louisiana Businesses Receiving Angel Funding:	36
Amount of Angel Funding (\$million):	18.2
Amount of Tax Credits Approved (\$millions):	5.0

Quality Jobs

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

New Projects:	32
New Permanent Direct Jobs:	3,080
Construction Jobs:	1,035
Associated Capital Investment (\$million):	702

Enterprise Zone

The Enterprise Zone (EZ) program is designed to encourage businesses in certain targeted industry sectors to locate and/or expand existing operations in or near economically distressed areas, and to create a minimum of 5 full-time jobs filled by residents in or near the economically distressed areas. The program provides Louisiana income and franchise tax credits to a business hiring at least 35% of net new jobs from one of four targeted groups. EZs are areas with high unemployment, low income or a high percentage of residents receiving

some form of public assistance. A business must create permanent net new jobs at the EZ site. The program provides a \$2,500 tax credit for each certified net new job created; and either a 4% sales/use tax rebate on capital expenditures or income and franchise tax credits up to 1.5% of investment.

New Projects:	286
New Permanent Direct Jobs:	9,379
Construction Jobs:	17,275
Associated Capital Investment (\$million):	4,575

Restoration Tax Abatement

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

New Projects:	85
New Permanent Direct Jobs:	840
Construction Jobs:	2,272
Associated Capital Investment (\$million):	231

Industrial Tax Exemption

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

New Projects:	642
New Permanent Direct Jobs:	2,219
Construction Jobs:	32,459
Associated Capital Investment (\$million):	5,171

Workforce Development

The Workforce Development program provides funding for the delivery of customized workforce training for businesses from start-up to three years (at which time they become eligible for federal funding under the Incumbent Worker Training Program). This program was ended in 2009 with Louisiana FastStart now delivering workforce solutions for new and expanding companies meeting basic eligibility requirements.

New Projects:	2
Employees Trained:	131
New Permanent Direct Jobs:	94
Retained Jobs:	1,382
Associated Capital Investment (\$million):	1.1

Motion Picture Investor Tax Credit

The Motion Picture Investor Tax Credit is designed to encourage feature film and television production in the state. The program provides a transferrable 30% tax credit on qualified motion picture expenditures made within the state. Payroll expenditures for Louisiana residents qualify for an additional 5% tax credit (35% effective total credit rate). It is estimated that 6,230 Louisiana jobs (2007) have resulted from the motion picture investor tax credit.*

Number of applications receiving initial certification:	105
Number of full-length productions shot in the state:	63
Estimated certified spending in the state (\$million):	494.0
Estimated amount of tax credits (\$million):	141.8

*Source: Louisiana Motion Picture, Sound Recording and Digital Media Industries, Economics Research Associates, February 2009

Digital Interactive Media Production Tax Credit

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

Number of applications received:	11
Estimated certified spending in the state (\$million):	10.2
Estimated amount of tax credits (\$million):	2.4

Sound Recording Investor Tax Credit

The Sound Recording Investor Tax Credit program encourages investment in musical recording production in the state. The program provides a 25% refundable tax credit for qualified Louisiana production expenditures. The program is subject to a cap of \$3 million in tax credits each calendar year.

Number of applications receiving initial certification:	14
Estimated certified spending in the state (\$million):	1.1
Estimated amount of tax credits (\$million):	0.27

Musical and Theatrical Production Tax Credit

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

Number of applications receiving initial certification:	4
Estimated certified spending in the state (\$million):	4.0
Estimated amount of tax credits (\$million):	0.89

Entertainment Workforce Training

The Entertainment Workforce Training program enables the development of customized workforce training programs for workers in the entertainment industry. Eligible entities include non-profit organizations, professional organizations, entertainment industry businesses, training institutions and others. This program was ended in 2010 with Louisiana FastStart now delivering workforce solutions for new and expanding companies meeting basic eligibility requirements.

Projects Approved:	5
Entertainment Industry Employees Trained:	1,004
Amount Invested by Businesses (\$million):	0.76
Amount Approved (\$million):	0.45

Research & Development Tax Credit

The Research and Development Tax Credit program encourages existing businesses with operating facilities in Louisiana to establish or continue research and development activities within the state. Companies claiming federal income tax credit for research activities can claim against state income and corporation franchise taxes. The program provides a tax credit for up to 8% of the state's apportioned share of increased research and development expenses or 25% of its apportioned share of federal research.

Number of applications approved:	75
Estimated certified R&D spending in the state (\$million):	185.6
Estimated amount of tax credits (\$million):	6.3

Tax Equalization Program

The Tax Equalization Program encourages businesses contemplating locating in another state with a lesser overall tax burden than Louisiana to locate or remain in the state by leveling the tax burden playing field. The program equalizes the overall taxes between a Louisiana site and a competing site in another state. Eligibility includes new and expanding manufacturing establishments, headquarters, warehousing, and distribution facilities. To participate, a business must be invited by the Governor and the Secretary of LED to apply.

New Projects:	1
Total Estimated Tax Exemptions (\$million):*	30.0
New Permanent Direct Jobs:	45
Capital Investment (\$million):	126

*Over a 5-year timeframe

Technology Commercialization Tax Credit & Jobs Program

The Technology Commercialization Credit and Jobs program encourages companies to invest in the commercialization of Louisiana technology. Qualifying research centers that develop Louisiana technology to be commercialized may be granted a refundable tax credit based on new jobs created. The technology must be created by a Louisiana business and researched by a Louisiana university or college. Eligible entities can also receive jobs tax credits of up to 6% of gross payroll for all new jobs created.

New Projects:	8
Total Credits Certified (\$million):	0.3
Approved Commercial Costs (\$million):	1

Atchafalaya Natural Heritage Area Development Zone Tax Credit Program

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

New Projects: ¹	4
Total Credits Claimed (\$): ²	8,340

Sources: ¹ Louisiana Department of Culture, Recreation and Tourism; ² Louisiana Department of Revenue

Louisiana FastStart™ Program

Louisiana FastStart provides customized recruitment, screening and training to new and expanding, eligible companies. Recognized for its innovation, effectiveness and efficiency, Louisiana FastStart has quickly established a presence among workforce solutions programs nationwide. Based on a company's immediate and long-term workforce needs, the Louisiana FastStart team crafts unique programs that ensure workers are prepared on day one and beyond. Louisiana FastStart's innovative, customized programs are available to companies that meet eligibility requirements and are aligned with Louisiana's economic development targets, including digital media, headquarters and business operations, service industries, advanced and traditional manufacturing, warehouse and distribution, and research and development. Service industries, headquarters and business operations, and warehouse and distribution companies must also have a majority of sales out of state. To qualify, a company must first commit to creating a net of at least 15 new, permanent manufacturing jobs, or a net of at least 50 new, permanent service-related jobs. Each request is evaluated prior to project commencement to ensure all eligibility requirements are met.

New Projects:	12
Employees Trained:	417
New Permanent Direct Jobs:	5,165
Retained Jobs:	1,400
Associated Capital Investment (\$billion):	1.25

Rapid Response Fund

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

New Projects:	7
Award Amount (\$million):	32.5
Retained Jobs:	2,770
New Permanent Direct Jobs:	1,074
New Indirect Jobs:	2,280
New Total Jobs (Direct and Indirect):	3,354
Associated Capital Investment (\$million):	170.6
New Annual State Tax Revenues Generated (\$million/yr):*	9.4

*Once project reaches full-scale operations

Mega-Project Development Fund

The Mega-Project Development Fund is used for immediate funding of all or a portion of economic development mega-projects to secure the creation or retention of jobs. The Fund can be used for projects that provide either five hundred new direct jobs to the state or a minimum initial investment of \$500 million and that generate a substantial return on the investment (ROI) by the state as measured by projected tax revenues. The ROI assessment is performed based on industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections. The Fund can also be used for projects for a military or federal installation which is important to the Louisiana economy and that may be subject to base realignment and closure.

New Projects: ¹	4
Award Amount (\$million)	181.0
New Permanent Direct Jobs:	3,512
New Indirect Jobs:	6,990
New Total Jobs (Direct and Indirect):	10,502

Associated Capital Investment (\$million):	829.0
New Annual State Tax Revenues Generated (\$million/yr): ²	28.3

¹ Two additional projects received final approval in 2009, but were announced and reported in prior years

² Once project reaches full-scale operations

Economic Development Award Program (EDAP) / Economic Development Loan Program (EDLoP)

The Economic Development Award Program is designed to assist in the development of publicly owned infrastructure for industrial or business development projects that promote targeted industry economic development and that require state assistance for basic infrastructure development. The program provides a minimum of \$50,000 to public or quasi-public state entities or political subdivisions for developing publicly owned infrastructure to advance industrial or business development projects that create or maintain at least 10 jobs. The related Economic Development Loan Program assists in the financing or loan funding of privately-owned property and improvements, including the purchase or leasing of a building site, the purchase or construction, renovation, rebuilding and improvement of buildings, their surrounding property, for machinery and equipment purchases and rebuilding, and for additional costs related to and incurred in connection with the location or relocation of the business enterprise. The programs are managed such that projects utilizing the programs generate a positive return on investment (ROI) as measured by projected tax revenues. Prior to utilizing the programs, LED performs an ROI assessment based on industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections.

New Projects: ¹	2
Award Amount (\$million):	2.0
Retained Jobs:	391
New Permanent Direct Jobs:	355
New Indirect Jobs:	493
New Total Jobs (Direct and Indirect):	848
Associated Capital Investment (\$million):	18.7
New Annual State Tax Revenues Generated (\$million/yr): ²	2.4

¹ The Louisiana Economic Development Corporation Board approved 7 additional projects but the contracts were not executed during calendar year 2009

² Once project reaches full-scale operations

EXISTING PROGRAMS WITH NO NEW ACTIVITY IN 2009

The following existing programs had no new activity in 2009, only renewals or continuations of commitments from prior years.

Industry Assistance

The Industry Assistance Program encourages the retention and growth of existing Louisiana manufacturing businesses and encourages Louisiana manufacturers and their contractors to give preference to Louisiana suppliers, engineers, and labor. The program can provide a tax exemption to manufacturers that commit to maintain current employment and to significant investment to continue doing business in Louisiana. Taxes or portions of taxes to be exempt can include the following: the corporation franchise tax, state sales and use taxes on goods necessary for production, state sales and use taxes on machinery and equipment, the corporation income tax, and any other taxes imposed directly by the state on the applicant. To participate, a business must be invited by the Secretary of LED to apply.

Venture Capital Match & Co-Investment Program

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

Brownfields Tax Credit Program

The Louisiana Investor Tax Credit Program is designed to stimulate environmental economic development in Louisiana by encouraging the environmental investigation, cleanup, and redevelopment of the brownfield properties in Louisiana. This tax incentive provides a credit of 15% of environmental investigation costs and 50% of environmental remediation costs incurred as part of the Louisiana Voluntary Remediation Program at a qualifying brownfield site in the state. The tax credit is transferable to other non-responsible persons and may be carried forward for ten years. The tax credit is applied to the applicant's Louisiana income tax liability.

Micro Loan Program

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

NEW PROGRAMS

The following programs are in the rule development stage and were, therefore, not active in 2009.

Ports Tax Credit Program

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

Modernization Tax Credit Program

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

Community Economic Development Tax Credits Program

The Community Economic Development Tax Credit Program encourages the growth of local community development capacity, in both funding and property available for attracting businesses, in order to develop and improve low-income communities. The program provides a 25% tax credit (5% per year for five years) for the amount of money donated, contributed, or represented by a sale below cost by the taxpayer to a certified community development corporation or a certified community development financial institution. The value of such tax credit shall not exceed five hundred thousand dollars per year per individual or one million

dollars per year per business, or a total of one million per individual and two million per business. This program is set to sunset on August 15, 2010.

Urban Revitalization Tax Credit Program

The Urban Revitalization Tax Incentive Program was established to stimulate economic development and create new jobs in urban and rural communities by providing tax incentives to small businesses that locate their principal office and work sites in a Historically Underutilized Business (HUB) Zone. Additionally, the small business must obtain HUB Zone approval from the local governing authority and must employ staff that reside in or adjacent to the HUB Zone, receive some form of public assistance prior to employment, or are unemployable by lacking in basic skills. The program provides a \$5,000 credit per net new job and will qualify the business to participate in the federal Workforce Investment Act Program through the Louisiana Workforce Commission. A business participating in this program cannot also participate in the Enterprise Zone Program.