

Economic Development Award Program Application Checklist

PROGRAM INFORMATION

1. Minimum request is \$50,000.
2. Must create or retain at least 10 permanent jobs.
3. Eligible applicants must be a public or quasi-public state entity or political subdivision of the state.
4. Preference given for target industries and to projects in high unemployment areas.
5. Preference given to projects intended to expand, improve or provide basic infrastructure supporting mixed use by company and surrounding community.
6. Award must be reasonably expected to be a factor in a company's location, investment and/or expansion decisions and prove to be economically beneficial to local community.
7. No assistance will be given for a company relocating to another labor market area unless company gives sufficient evidence that it would otherwise move out of state.
8. A cost benefit analysis will be performed by DED.
9. EDAP funds are not meant to fund an entire project. Use of EDAP funds requires matching funds from other interested parties.

AWARD AMOUNT

The portion of the total project cost financed by the award may not exceed:

1. 90% if project is in a parish with per capita income below median for all parishes.
2. 75% if project is in a parish with unemployment rates above statewide average.
3. 50% for all other projects.
4. Other state funds cannot be used as matching EDAP funds.

DISBURSEMENT OF FUNDS

1. Funds will be reimbursed to sponsoring entity after approved invoices have been received by DED.
2. Must have signed commitments by project's other financing sources (public & private).
3. Must have signed confirmation that all technical studies (i.e. environmental or engineering studies) and licenses or permits needed to start the project have been obtained.
4. Final 15% of funds will not be disbursed until DED staff has inspected the completed project.

COMPLIANCE REQUIREMENTS

1. Companies & sponsoring entities must submit progress reports describing progress of objectives.
2. DED can withhold funds if the company or sponsoring entity fails to meet performance objectives and can reclaim disbursed funds from one or both parties within the scope of the unmet performance objectives.
3. DED can conduct financial and performance audits of a project and all relevant records and documents of the company and sponsoring entity.

EDAP APPLICATION CHECKLIST

1. Company name, type, address
2. Fed. Tax ID # and SIC code, phone & fax
3. Authorized company rep name, position, email
4. Sponsor name, address
5. Fed. Tax ID #, phone, fax
6. Authorized sponsoring entity rep name, position, email
7. Amount requested. Funds requested will assist what?
8. # of jobs created and years spanned, # of jobs retained
9. Beginning and ending dates of project
10. Enterprise Zone / Quality Jobs
11. Signature from company rep. & sponsoring entity rep.

SECTION 1 -- BUSINESS OVERVIEW

1. Brief company history. All locations w/ relationships. Focus on any La. operations, including location and number of employees at facility requesting funds.
2. Foreign owned/controlled or foreign based HQ? If so, need city, country of HQ.
3. Types of products and/or services provided by company's La. operations.
4. Competitive environment (local, national, international) for the company and its products/services.
5. Growth, expansion and/or product development potential.

SECTION 2 -- PROJECT DESCRIPTION

1. Actual physical address of project, including street, city, parish and zip code.
2. Description of scope & purpose of the proposed investment in or expansion of the company's operations.
3. Describe infrastructure improvements and the need for improvements to enable the project. Include ownership info here of EDAP land, buildings, etc.
4. Operation and maintenance plans for infrastructure, including responsible entities and sources of funding. (Who maintains infrastructure – how will maintenance be funded? By city, company or both?)
5. Dollar amount of taxable operational purchases (i.e., materials, supplies, products and services) associated with the project to be purchased annually in Louisiana. New project only. Include annual increases when possible.
6. Dollar amount of taxable construction purchases (if any) for project to be purchased in Louisiana, unless EZ applicant.

SECTION 3 -- PROJECT COSTS AND FUNDING

1. Sources and uses of funding for overall project (use Table 1 "Total Project Costs"), with a list of all entities with a financial interest in the project. Check Table 1 for completion and verify match.
2. Anticipated useful life spans of the infrastructure, facilities and equipment included in the project.

SECTION 4 -- ATTACHMENTS

1. Signed commitment letters from all project funding sources on Table 1. If funds are other than existing working capital, the commitment letter must come from the source, e.g., lending institution. It must reference the amount committed to this project per Table 1.
2. Financial statements or tax returns for the preceding three years. If a startup company, provide business plan. Tax returns become a part of your file but are exempt from the Public Records Act and are not available for public review. Related financial information, although not protected by statute, will be treated confidentially to the extent allowed by the Public Records Act, unless court-ordered otherwise.
3. Three to five year pro forma with cash flow and sales projections and balance sheets (should be for company applying for funding...that is, the subsidiary, the parent, etc.).
4. Written certification from the company that the company does not have pending or outstanding claims or liabilities relating to failure or inability to pay promissory notes or other evidence of indebtedness including state or federal

taxes, or bankruptcy proceeding, or any pending, federal, state, or local proceeding concerning denial or revocation of a necessary license or permit.

5. Engineer's cost estimate for planned infrastructure.
6. W-9 forms for sponsor: Request for Taxpayer ID Number and Certification.
7. ES-4 form if retaining jobs.
8. If incorporated, a copy of the Disclosure of Ownership form showing stamp of recordation with the Louisiana Secretary of State's office.
9. If an out-of-state corporation, a certified copy of the Certificate of Authority to do business in Louisiana which is filed with the Louisiana Secretary of State.
10. Names and addresses of your district legislators (include phone and fax numbers).

EMPLOYMENT IMPACT TABLES

1. Construction jobs: types, number and salaries (w/out benefits) of temporary jobs (either project).
2. Retained jobs: types, number and salaries (w/out benefits) of existing permanent jobs to be retained (if any)
3. Created/new jobs: types, number and salaries (w/out benefits) of permanent jobs. Info r/t layoffs, mergers, etc. Ramp up information, if applicable.

ELIGIBLE PROJECT COSTS

1. Engineering expenses
2. Site acquisition
3. Site preparation
4. Construction expenses
5. Building materials
6. Capital equipment

NON-ELIGIBLE COSTS

1. Recurrent expenses associated with project (i.e. operation and maintenance costs)
2. Company moving expenses
3. Expenses already funded by capital outlay
4. Improvements to private property, unless the project includes transfer of ownership to a public or quasi-public entity
5. Refinancing of existing debt, public or private
6. Furniture, fixtures, computers, consumables, transportation equipment, rolling stock or equipment with useful life of less than seven years

When reviewing EDAP applications, always ask the following:

1. Will anyone else besides the company applying be using or benefit from the infrastructure?
2. In what way will the user of the infrastructure benefit by using EDAP funding?
3. If a port is the sponsoring entity, why doesn't the port finance the infrastructure using lease income (port bond money) or bank loan?
4. If sponsor is leasing a building to the company, what are the terms of the lease agreement?
5. If infrastructure is a sewer/water facility, some analysis should be done to determine the revenue that will be generated from fees.
6. How does this project fit with the vision of Louisiana Economic Development?