

STATE OF LOUISIANA

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS MEETING

BEING HELD ON THURSDAY, OCTOBER 12, 2023

AT THE LASALLE BUILDING

617 North Third Street, FLOOR 1, LABELLE ROOM

Baton Rouge, Louisiana

REPORTED BY: KELLY S. PERRIN, C.C.R.

COURT REPORTERS OF LOUISIANA, LLC

9522 BROOKLINE AVENUE, SUITE 217

BATON ROUGE, LOUISIANA 70809

PHONE: (225) 201-9650 * FAX: (225) 201-9651

E-MAIL: depos@courtreportersla.com

I N D E X

1		
2		PAGE
3	CAPTION	1
4	APPEARANCES	3, 4
5	PROCEEDINGS	5
6	REPORTER'S CERTIFICATE	139
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

1 APPEARANCES:

2 BOARD MEMBERS PRESENT:

3 CHAIRMAN A.J. ROY, III

4 CHARLES E. JACKSON, III

5 ANDY L. ADLER

6 CAL SIMPSON

7 LOUIS REINE

8 SECRETARY DON PIERSON

9 NORISHA K. GLOVER

10 STEPHEN P. DAVID, JR. (ABSENT)

11 STAFF MEMBERS PRESENT:

12 MARISSA DOIN

13 KELLY A. RANEY

14 BRENDA GUESS

15 DEBORAH SIMMONS

16 ANNE VILLA

17 SUSAN BIGNER

18 CRYSTAL DALGO

19 LAURA WOMACK

20 TEDRA CHEATHAM

21 MOLLY HENDRICKS

22 ROBIN PORTER

23 SHAMELDA PETE

24 LETICIA JOHNSON

25 STEVEN BAHAM

1 APPEARANCES CONTINUED:

2 TORRI BUCKLES

3 LAUREN CULLINS

4 DEVIN HARRISON

5 SPEAKERS FROM THE PUBLIC:

6 DEVIN ROY, CFO, CAPITOL CITY PRODUCE, LLC

7 CALEB PREJEAN, VP, CAPITOL CITY PRODUCE, LLC

8 ROBERT LATIOLAIS, COO, MKS PLASTICS, LLC

9 ROBERT WEGE, CONSULTANT, SUMIT CREDITS, LLC

10 BRANDON BURKE, CFO, LOOP LINEN, LLC

11 TYLER BURKE, EVP, LOOP LINEN, LLC

12 PETER CONNICK, ON BEHALF OF LOOP LINEN, LLC

13 KATE WENDEL, DIRECTOR OF ECONOMIC AND WORKFORCE
14 DEVELOPMENT, JEDCO

15

16

17

18

19

20

21

22

23

24

25

1 P R O C E E D I N G S

2 CHAIRMAN ROY:

3 Good morning. Call to order the Board of
4 Directors of the Louisiana Economic
5 Development Corporation.

6 Roll call, please.

7 MS. SIMMONS:

8 Good morning, everyone. A.J. Roy?

9 CHAIRMAN ROY:

10 Here.

11 MS. SIMMONS:

12 Louis Reine?

13 MR. REINE:

14 Here.

15 MS. SIMMONS:

16 Cal Simpson?

17 MR. SIMPSON:

18 Here.

19 MS. SIMMONS:

20 Charles Jackson?

21 MR. JACKSON:

22 Here.

23 MS. SIMMONS:

24 Andy Adler?

25 MR. ADLER:

1 Here.

2 MS. SIMMONS:

3 Norisha Glover?

4 MS. GLOVER:

5 Here.

6 MS. SIMMONS:

7 Secretary Don Pierson?

8 SECRETARY PIERSON:

9 Present.

10 MS. SIMMONS:

11 Stephen David?

12 (Absent)

13 MS. SIMMONS:

14 We have a quorum.

15 CHAIRMAN ROY:

16 Very good. I'll ask everyone to please
17 silence their devices. First order of
18 business is the approval of the minutes from
19 the May 11th meeting.

20 MR. SIMPSON:

21 I move to approve.

22 CHAIRMAN ROY:

23 Motion for approval as presented.

24 Second. Any discussion?

25 Hearing none, all in favor, aye?

1 ALL:

2 Aye.

3 CHAIRMAN ROY:

4 All opposed, nay?

5 Any comments from the public?

6 They're approved.

7 Next order of business is under the EDAP
8 program. Ms. Womack? Don't be bashful.

9 MS. WOMACK:

10 Good morning. Again, my name is Laura
11 Womack. I'm representing staff. The first
12 EDAP project we have among the agenda this
13 morning is Capitol City Produce. With me, I
14 have Mr. Devin Roy, who is the CFO, along with
15 Caleb Prejean, who is the VP.

16 Capitol City Produce, LLC is a Louisiana
17 based produce distributor. Capitol City
18 Produce was founded in 1947 by the Ferachi
19 Family. They're determined focus on the
20 future coupled with their combined value from
21 the past makes CCP a unique 4th generation
22 business with the spirit of a startup.

23 Currently, CCP serves more than 3200
24 customers across Louisiana and the entire Gulf
25 South, which stretches from Louisiana into

1 central Mississippi into Florida and Alabama.
2 CCP offers everything from fresh fruits and
3 vegetables to seasonal items, frozen products,
4 fresh dairy products, and processed items.
5 Their customers include some of the worlds
6 most demanding brands, such as Ritz Carlton,
7 Waldorf Astoria, Windsor Court, Ruth Chris,
8 and Commander's Palace. Many of their
9 products are sourced through regional
10 partnerships with local farms, including
11 Louisiana based operations like Kleinpeter
12 Farms, Liuzza Produce Farms, and City Greens.

13 Since 2016, CCP has been SQF certified
14 achieving SQF level certification. CCP is the
15 only produce distributor in the tristate area
16 of Louisiana, Mississippi, and Alabama to
17 achieve this certification as being compliant
18 with the most rigorous global food safety and
19 quality control programs in the industry. CCP
20 is expanding their current facility in Baton
21 Rouge to support growing demand. They will be
22 adding an additional 70,000 square feet, which
23 includes 60,000 square feet for new
24 refrigerated warehouse and dock space with the
25 remaining 10,000 square feet dedicated to

1 office space. Once completed, this will allow
2 CCP to increase workflow efficiency and also
3 regional, restaurant, retail, and commercial
4 food supply chains.

5 Total project costs for this facility is
6 estimated to be \$26.3 million. This entails
7 new building construction, equipment purchase,
8 site and infrastructure improvements. The
9 EDAP funds will be used to reimburse a portion
10 of the cost related to the infrastructure
11 improvements.

12 The company will retain 279 existing jobs
13 with associated payroll of \$13.3 million
14 increase at 2% annually and will create 45 new
15 jobs with an associated annual payroll of
16 \$2.2 million by 2028. All jobs and payroll
17 must be maintained through December 31st,
18 2028.

19 Total capital investment of \$22 million
20 is to be expended by December 31st, 2024.

21 East Baton Rouge Parish unemployment rate was
22 3.2 as of July 2023 compared to the State rate
23 of 3.3 for the same period. The per capita
24 personal income for East Baton Rouge Parish
25 for 2021 was \$59,352 compared to the State per

1 capita income of \$54,217.

2 The project is estimated to have State
3 revenues of over \$4 million with the company
4 receiving a \$300,000 EDAP and \$330,000 from
5 Enterprise Zone. This will result in a net
6 revenue of slightly over \$3.4 million to the
7 State.

8 Staff recommends approval of this project
9 as an unsponsored EDAP with our usual
10 contingencies normally in place as well as the
11 retention of the 279 jobs with \$3.3 million
12 payroll increased 2 percent annually, the
13 creation of 45 new jobs with an associated
14 payroll of \$2.2 million maintained through
15 December 31, 2028, total capital investment of
16 CCP at the facility of \$22 million to be
17 expended by December 31, 2024. And also,
18 there will be a personal guarantee to be
19 provided by the owner, Mr. Paul Ferachi.

20 And with that, I would like to turn it
21 over and introduce Mr. Roy, who can provide
22 some more information about the company and
23 the project.

24 MR. ROY:

25 Thank you and good morning for -- and

1 thank you for having us today. This project
2 is really important for Capitol City Produce,
3 and I think the Baton Rouge community. We, as
4 Laura mentioned, we've been here since 1947.
5 We've now got 4th generation family embedded
6 in the business, which is very exciting for
7 our ownership.

8 Our business is at a point in time we've
9 had some great fortune to continue to grow
10 double digit percentages over the last five
11 years. And this project is really a Phase II
12 expansion of a project that we started in
13 2016, which added about 50,000 square feet of
14 refrigerated warehouse space. The project
15 will really accommodate us, which we project
16 to be five to seven years' worth of additional
17 growth in our business.

18 We are currently operating at full
19 capacity as of today, so we achieved our
20 five-year growth plan in about four years.
21 And so, you know, this is a major need for our
22 business to continue on the trajectory that
23 we're on. We ship from Lake Charles,
24 Louisiana up to Shreveport, all the way over
25 to Panama City, Florida. And so our business

1 is continuing to grow. And this additional
2 square footage will not only allow us to do
3 our business, but also continue to employ the
4 number of people that we employ in our City.

5 So we appreciate the support of LED on
6 previous projects and your continued support
7 on this upcoming project. Thank you.

8 CHAIRMAN ROY:

9 Any questions? Comments? Mr. Reine?

10 MR. REINE:

11 You said y'all are going to create 45 new
12 jobs. How many employees do you have now?

13 MR. ROY:

14 We're actually up to a little over 300
15 employees locally in Baton Rouge.

16 MR. REINE:

17 Okay. And so the average salaries for
18 those employees that you have?

19 MR. ROY:

20 The average salary today is around
21 \$50,000.

22 MR. REINE:

23 And so for the 45 new jobs?

24 MR. ROY:

25 It's probably going to stay in that 45 to

1 \$50,000 range. It's warehouse personnel, and
2 then there will be some office administration
3 that we will add as well.

4 MR. REINE:

5 Okay.

6 MS. GLOVER:

7 I'm Norisha Glover. First of all, I just
8 want to say, when I drive around Baton Rouge
9 and I see y'all's trucks, it always has the
10 most beautiful pictures on there and it puts a
11 smile on my face, so keep up with that
12 branding. I love it.

13 MR. ROY:

14 That's Caleb's work, so...

15 MS. GLOVER:

16 Okay. My question is really more so for
17 the LED staff that this is consistent with
18 several others. So the terms of the
19 contingencies we talk about, and this would
20 apply to Capitol City as well, that in terms
21 of the annual payroll that is to be an
22 increase of 2 percent annually. So, first,
23 clarify for me, is the increase of 2 percent
24 because it's an increase in positions that
25 we're adding or is this about raises for the

1 people who are on staff?

2 MS. WOMACK:

3 This is directly related to the raises
4 related to the retained employees.

5 MS. GLOVER:

6 Okay. So the thing that's been on my
7 mind a lot as a small business owner myself
8 is, every year, there's a question about, do
9 we give people raises, how much are those
10 raises, is there a bonus, et cetera. When I
11 see the 2 percent, like, is that sufficient
12 enough for what's taken place with inflation
13 in the economy? Because we know that it's
14 rising much quicker than 2 percent.

15 MS. RANEY:

16 So, Norisha, I think that question may be
17 best answered by the project manager. Is
18 Devin here?

19 Thank you, Devin. Would you mind just
20 sharing a little detail behind the 2 percent
21 annual increase to the retained payroll?

22 MR. ROY:

23 I'm sorry. Can you restate the question?

24 MS. GLOVER:

25 Yes. So when I looked -- when I was

1 preparing for the meeting, one of the things
2 that LED has in the packet is that there will
3 be retention of particular jobs, and then it
4 says to be increased 2 percent annually. As I
5 understand it, that's a 2 percent raise that
6 each of the employees are getting; and I get
7 that not every employee gets a raise.

8 But if we are giving employees a raise,
9 is 2 percent sufficient in this environment
10 when we know that inflation is rising much
11 quicker than that?

12 MR. ROY:

13 I think that gives the company some room
14 to grow their jobs and not kind of box them in
15 into having to increase the employment wages
16 over time. I think 2 percent, historically,
17 that's been a sufficient growth number for the
18 employment payroll for companies that we've
19 seen in the past.

20 MS. GLOVER:

21 Okay.

22 MS. WOMACK:

23 And then also the 2 percent, you know,
24 one of the requirements is that we want the
25 company, in addition to creating new jobs, to

1 really retain the jobs that they have. And
2 having that 2 percent gives those retained
3 employees an incentive if they know that there
4 might be an increase. You know, so we do care
5 about the new jobs and the new payroll; but
6 also, we want to ensure that those retained
7 employees have some incentive to be retained
8 and maintained.

9 MR. JACKSON:

10 Would not -- this may be more to the
11 question you're getting at. Would it be fair
12 to say that that 2 percent is a floor that's
13 required for performance on the EDAP?

14 MS. WOMACK:

15 Correct. That is a --

16 MR. JACKSON:

17 There's not a maximum --

18 MS. WOMACK:

19 That's correct.

20 MR. JACKSON:

21 So if a labor force -- if the --

22 MS. GLOVER:

23 That is --

24 (CROSSTALK)

25 MR. JACKSON:

1 -- does that make sense?

2 MS. WOMACK:

3 Correct. Correct. And we, historically,
4 have done a 2 percent on any EDAP that has
5 retained jobs. We've always maintained the
6 2 percent, but we can certainly look at that
7 and consider if 2 percent is really feasible
8 currently in this environment.

9 MS. GLOVER:

10 Yeah. I appreciate that, historically,
11 we've done 2 percent. I hate this word. It's
12 unprecedented right now, right? So like this
13 2 percent may have worked ten years ago. Does
14 2 percent work still now? That's really what
15 it is, but I appreciate the fact that 2
16 percent is the base.

17 So it also means, and I encourage us to
18 do more than 2 percent, because at some point
19 in time, it's very, very important to me, I
20 believe in livable wages for people. And so
21 at some point, 2 percent is not -- depending
22 on what they're getting paid is not a livable
23 wage, so just something for us to think about.

24 CHAIRMAN ROY:

25 Good points. Any other questions?

1 Comments?

2 MR. ADLER:

3 Yes, a couple of questions. On the
4 60,000 new square feet of refrigeration, is
5 that a net new to you guys or are y'all
6 leasing it or some square footage somewhere
7 else in the City? Or is it a new space for
8 you guys?

9 MR. PREJEAN:

10 It's all new space for us.

11 CHAIRMAN ROY:

12 Can you pull the mic?

13 MR. PREJEAN:

14 It's all new space to us, just adding on
15 to the back side of our current facility.
16 We're not leasing anywhere else. So this is a
17 true increase in total refrigerated space onto
18 our current facility.

19 MR. ADLER:

20 And in other satellite locations, I know
21 you have a big facility in Robertsdale. Would
22 that be a similar type of facility? I guess
23 what --

24 MR. PREJEAN:

25 Right, yes, sir.

1 MR. ADLER:

2 -- I'm saying is, five to seven years, I
3 hope there's enough real state to expand here
4 and not there.

5 MR. PREJEAN:

6 Right. And so we do have another
7 facility in Robertsdale, Alabama, but they
8 handle a little bit more of that more easterly
9 business. Our facility site plan allows for
10 this expansion and then an additional
11 expansion also with the property that we
12 currently have on our facility to give us some
13 additional square footage of refrigerated
14 space or whatever we -- you know, as business
15 comes to us in the future. So that is
16 possible here in Baton Rouge.

17 MR. ADLER:

18 Okay. Thank you.

19 CHAIRMAN ROY:

20 Any other questions or comments?

21 MS. GLOVER:

22 Have y'all already engaged an architect,
23 contractor? Like, would you be able to start
24 within the next six months?

25 MR. PREJEAN:

1 Yes, ma'am. We are dealing with an
2 architect design build firm out of Florida
3 right now. We are in the process of obtaining
4 our permit. We should, hopefully, have our
5 site permit potentially this week. I'm
6 actually going there right after here to see
7 where we stand with that, but we are -- it's
8 about a one-year project, and hoping to start
9 within the next couple of weeks on site work.

10 MS. GLOVER:

11 Great. Thank you.

12 CHAIRMAN ROY:

13 Anything else?

14 What is the pleasure of the Board?

15 MR. ADLER:

16 I'll make a motion to approve as
17 presented.

18 CHAIRMAN ROY:

19 Motion for approval as presented.

20 Second. Any other discussion?

21 Any comments from the public?

22 Hearing none, all in favor, say aye.

23 ALL:

24 Aye.

25 CHAIRMAN ROY:

1 All opposed, nay?

2 Without objection. Congratulations.

3 Please keep us posted on your successes.

4 MR. ROY:

5 Thank you all for your support.

6 MR. PREJEAN:

7 Thank you very much.

8 CHAIRMAN ROY:

9 Next order of business is MKS Plastics,
10 Incorporated. Good morning.

11 MS. WOMACK:

12 Good morning. Again, I'm Laura Womack.
13 I have with me Mr. Robert Latiolais, who is
14 the COO representing the company, along with
15 Mr. Robert Wege, who is the consultant for the
16 company.

17 MKS Plastics, LLC is a Louisiana based
18 plastics manufacturer founded in 2014. MKS
19 provides high quality plastic buckets and
20 pails that are made in the U.S.A. They aim to
21 be the go-to supplier for businesses and
22 individuals who value durable, reliable, and
23 eco-friendly plastic products. MKS stands out
24 from the rest of their competition by
25 providing well-crafted products using the

1 latest technology and sustainable materials
2 that meet and succeed industry standards.

3 MKS offers plastic pails that can be made
4 from a percentage of post-industrial recycled
5 materials, which allows them to be reused or
6 repurposed. Additionally, the pails are
7 designed to be lightweight, which helps reduce
8 transportation emissions and energy
9 consumption during shipping. Their products
10 are not only practicable and reliable but
11 environmentally friendly as well.

12 In 2022, the company hit record sales of
13 over \$70 million. Due to the growth, MKS now
14 requires additional warehouse and office space
15 to house new personnel, which is needed to
16 grow their product line and expand their
17 current capacities. Total project costs for
18 the expansion is estimated to be \$25 million.
19 The expansion includes building renovations,
20 equipment purchase, and infrastructure
21 improvements.

22 The infrastructure improvements include
23 the construction of a rail spur, which the
24 EDAP funds will be used to offset a portion of
25 those costs. This rail spur will provide

1 better access to raw materials and allow for
2 additional shipping options for all their
3 finished projects.

4 The company will retain 82 existing jobs
5 with an associated payroll of four and a half
6 million increased at 2 percent annually and
7 will create 20 new jobs with an associated
8 annual payroll of \$844,213 by 2033. All jobs
9 and payroll must be maintained through
10 December 31, 2033.

11 Total capital investment of \$14 million
12 is to be expended by December 31, 2024.

13 Tangipahoa Parish unemployment rate was 4.1 as
14 of July 2023 compared to the State rate of 3.3
15 for the same period. Per capita personal
16 income for Tangipahoa for 2021 was \$47,076
17 compared to the State per capita income of
18 \$54,217.

19 The project is estimated to have State
20 revenues of over three and a half million with
21 the company receiving the 100 -- the
22 \$1,485,000 EDAP and \$220,000 from Enterprise
23 Zone. This results in a net revenue of
24 slightly over \$1.7 million for the State.

25 Staff recommends approval of this project

1 as an unsponsored EDAP with our usual
2 contingencies as well as the retention of the
3 82 jobs with four and a half million payroll
4 increased at 2 percent to create 20 new jobs
5 with an associated payroll of \$844,213
6 maintained through December 31, 2033. Total
7 capital investment at this facility of at
8 least 14 million is to be expended by
9 December 31, 2024.

10 Also, the EDAP funds will be awarded upon
11 verification that the company expended the
12 full \$14 million by the December 31, 2024
13 deadline. Should the company fall short of
14 meeting that full Cap X expenditure, the EDAP
15 award will be reduced proportionally. So if
16 the company only meets 80 percent of the Cap
17 X, we would only reimburse 80 percent so on
18 and so forth.

19 Also, MKS is to provide a corporate
20 guaranty. And with that, I would like to
21 introduce Robert Latiolais, and he can give
22 more information on the company and the
23 project.

24 MR. LATIOLAIS:

25 Good morning. Thank you all for your

1 time and I appreciate the opportunity to be
2 here and the support from the State. This
3 project has kind of been in several phases,
4 some of which are already in motion. The
5 whole \$25 million is going to be about over
6 two years that we're already six to eight
7 months in to. So things are moving along.

8 The specifics for this EDAP is for a rail
9 spur for our facility, which, you know, our
10 growth is limited right now due to the
11 transportation arrangements once we get our
12 raw materials in. So we have a lot of
13 challenges there. So it's very necessary to
14 have this rail spur; one, it's also a cost
15 saving of getting the raw materials inbound,
16 but also from a logistical standpoint to be
17 able to get things in a timely manner. So I'm
18 looking forward to getting that project moving
19 along as quickly as well.

20 CHAIRMAN ROY:

21 Yes, sir?

22 MR. REINE:

23 So the 82 employees you have, so what's
24 their salary?

25 MR. LATIOLAIS:

1 So, actually, we're up to 86 now. That's
2 growing every day. But of the -- of just
3 salary is \$57,000 average of salary and hourly
4 together as of last year it was \$42,000 and
5 change.

6 MR. REINE:

7 So, well, averages can be deceiving. So
8 let's change that to, what's the salary of the
9 average worker? So we can inflate that number
10 with the tops and the bottom. I just want to
11 know how much people make.

12 MR. LATIOLAIS:

13 Well, that's the number I gave you. The
14 \$42,000, that's just hourly.

15 MR. REINE:

16 Okay. And so what's the average salary
17 of the new employees going to be?

18 MR. LATIOLAIS:

19 Going to see on salary wise, it's going
20 to be around the starting point of \$18 an
21 hour. And those are -- for those particular
22 jobs we're talking about range up to 25.

23 MR. REINE:

24 Okay. Is there any benefits?

25 MR. LATIOLAIS:

1 Yes, we have a full benefits. We have a
2 401K retirement plan, we have medical
3 insurance. We do -- we pay 100 percent of the
4 employee's disability, vacation.

5 MR. REINE:

6 Okay. Thank you.

7 MR. LATIOLAIS:

8 Yes, sir.

9 MR. ADLER:

10 I was noticing that the revenues almost
11 doubled from 2021 (indiscernible) percent
12 actually (indiscernible). I'm assuming
13 employees have followed that. Three years
14 ago, you had 34 employees; and now, you have
15 82.

16 MR. LATIOLAIS:

17 Yes, sir, that's correct. It's basically
18 linear.

19 MR. ADLER:

20 So with this new expansion, do you see
21 revenues and employees expanding with this new
22 expansion?

23 MR. LATIOLAIS:

24 Absolutely. Absolutely. With the
25 capacity we're at, we're operating at 100

1 percent capacity. So as fast as we're able to
2 get the expansion done, we have new products
3 that we've -- product additions to our line
4 that we have customers asking every day, when
5 can you ship us this, when can you ship us
6 this. So we expect continued double digit
7 growth.

8 MR. ADLER:

9 Well, when I looked at this, I thought
10 about the dozens of orange and blue buckets
11 that I have at my house from Home Depot.

12 MR. LATIOLAIS:

13 And they're always stuck together, right.

14 MR. ADLER:

15 I'm assuming, is that a large part of
16 your business, small part?

17 MR. LATIOLAIS:

18 So that's a -- the retail side of it is,
19 that is a relatively small part. We've gone
20 after some more here lately. I won't bore you
21 with all of the details, but that's a thinner,
22 I guess we'll call it a 70 mill versus a
23 standard where you put liquid or any kind of
24 solids in that you have to seal as a 90 mill.
25 So that's the majority of our business. So,

1 currently, we're shipping to 43 states.

2 For every -- I mean a wide array of
3 industries from food or we just got our SQF
4 certification so we do a good bit with foods.
5 Paint is a large industry, lubricants, you
6 know, you name it. I'm still learning things
7 that go in a bucket, you know. I've been in
8 the business for six, seven years and it still
9 amazes me.

10 We're doing some ice melts now for some
11 northern states that are in all the Walmarts
12 in the north, so that was a new one. So but
13 you name it, there's stuff every day that we
14 find out about.

15 MR. ADLER:

16 In these six years, have you taken
17 business away from other national
18 manufacturers or international like China,
19 overseas, or...

20 MR. LATIOLAIS:

21 No, it's mostly here, you know, in the
22 U.S., but there's really -- there's been a lot
23 of roll up in consolidation in this industry.
24 And we've got really -- there's two major
25 players that have the vast majority of the

1 market, one of them is an internationally
2 publicly traded company, one is -- was just
3 was a family business until about five years
4 ago and they were purchased by a rollup. So
5 and then, you know, there's really only about
6 half a dozen others out there that do our
7 specific type of plastics that I'm aware of.

8 So it's relatively small as far as number
9 of competitors. And being that most of those
10 guys are much larger than us, one thing that's
11 really allowed us to grow so fast is our
12 service and, you know, being able to go in
13 there and see the people. We hear all the
14 time that people have been buying from these
15 other companies 20, 25 years and never seen a
16 salesman.

17 MR. ADLER:

18 Wow. I'm assuming y'all do the product
19 label, whether it be the color and the
20 sticker?

21 MR. LATIOLAIS:

22 Absolutely. So that's another division
23 of our business. We actually do all of our
24 heat transfer labeling. We have heat presses
25 where we print that in house. We're actually

1 the only pail manufacturer that I'm aware of
2 that does it in house.

3 So we're able to -- we do it digitally
4 versus some of the other folks are doing a
5 plate process, which takes much longer and a
6 very costly setup. So we're able to say, for
7 instance, you have a business and you want to
8 run a promotion for something that you want a
9 bucket, you want your picture on it, you send
10 us a digital file, and we can have that just
11 like a digital picture on a bucket in a matter
12 of hours.

13 MR. ADLER:

14 So if we want bucket swag, we know where
15 to go.

16 MS. GLOVER:

17 Hi. I was like, I too (indiscernible)
18 what are these plastic buckets? Kitty litter,
19 sand, all of it.

20 MR. LATIOLAIS:

21 Oh, yes, ma'am.

22 MS. GLOVER:

23 Okay. So when I am looking on what is
24 our page 141 in our Board packet, and I'm
25 looking at the new payroll, the first question

1 that I have is, as I'm looking at the six new
2 jobs that will be created in 2025, the new
3 payroll is \$216,158. My first question is, in
4 that new payroll number, I assume that is
5 salary and benefits?

6 MR. LATIOLAIS:

7 Correct.

8 MS. GLOVER:

9 Okay. So it's salary and benefits. If I
10 divide that by six, what I'm getting is about
11 \$36,000 that an employee would be making. So
12 they'd probably be making about 34, \$35,000
13 because the rest of it is probably -- yeah,
14 the rest of it is in the benefits, such as --

15 MR. LATIOLAIS:

16 That will be at the low end. To answer
17 subject to your question, that's going to be
18 the salary part, not including -- the benefits
19 would be in addition to that.

20 MS. GLOVER:

21 Okay.

22 MR. LATIOLAIS:

23 I misspoke.

24 MS. GLOVER:

25 Okay. So we'll say that the salary is

1 \$36,000?

2 MR. LATIOLAIS:

3 That would be at entry level.

4 MS. GLOVER:

5 Okay. I'm feeling really passionate
6 about this, and like, is \$36,000 a livable
7 wage? And I assume what this is, is there are
8 individuals who are working in the plant,
9 largely on their feet?

10 MR. LATIOLAIS:

11 Yes, ma'am.

12 MS. GLOVER:

13 Working 40 hours a week making \$36,000,
14 which means there isn't really opportunity for
15 a second job. I mean you could do a second
16 job, but you'd really be breaking your back.
17 Why is it that we can't pay them more?

18 Like, we're a poor state. We're trying
19 to figure out how not to be a poor state.
20 Part of that is dependent upon how we pay our
21 people. How can we pay them more?

22 MR. LATIOLAIS:

23 Sure, that's a great question. And the
24 employees and customers, you know, you've got
25 to have both of them, and they are critical to

1 -- they drive everything. So, I mean, the
2 economics of the area, that drives it a lot.
3 So we make sure that we stay competitive as we
4 have to bring people in, you know, especially
5 with the rates that we're growing in the
6 double digits. So I certainly can say for our
7 area, Tangipahoa Parish, I feel that we're
8 very competitive in what we have to offer.

9 Also, they're in an air-conditioned
10 facility, you know, you never get rained out.
11 The schedule is 12-hour days, but we have a
12 long week and a short week. So you never work
13 more than three days without two days off and
14 you have two weekends off every month. So on
15 a long week, you work Monday, Tuesday, off
16 Wednesday, Thursday, work Friday, Saturday,
17 Sunday. And then the next week, you would be
18 off Monday, Tuesday, work Wednesday, Thursday,
19 off Friday, Saturday, Sunday and it repeats.
20 So it's essentially 14 days out of the month
21 that they work on that schedule at that wage.

22 MS. GLOVER:

23 Adjusting that they have other days
24 available for another job?

25 MR. LATIOLAIS:

1 Or to pick up more work here for
2 overtime.

3 MR. JACKSON:

4 What's your turnover rate?

5 MR. LATIOLAIS:

6 So the turnover, it's fairly high, you
7 know, it's 65/70 percent if you're with the
8 plant. You know, it's a -- you know, it's,
9 like you said, 12 hours a day on your feet, so
10 you see some of the positions that -- it's
11 about, I don't know, I'd say 10 percent or so
12 of the positions that turnover, not from an
13 overall standpoint, but it really drives the
14 numbers up. From an office standpoint and
15 even from a plant maintenance operator, that
16 type, you know, it's very little.

17 I don't want to -- I don't want to give
18 you an incorrect number. I don't know that
19 one off the top of my head, but it's much,
20 much lower. But when you put it altogether,
21 based off the entry level, more manual labor
22 type positions, it does bring it up a little
23 bit.

24 MR. JACKSON:

25 Are these skilled labor or unskilled

1 labor? Is there a training cost associated
2 with --

3 MR. LATIOLAIS:

4 Again --

5 MR. JACKSON:

6 -- replacements?

7 MR. LATIOLAIS:

8 Really, it's tiered. And, of course,
9 there -- there is cost associated with the
10 trainings, you know, it's an investment. But
11 the tier that requires the least skill set is
12 not, you know -- for instance, one of the more
13 manual processes we have, it's not a lot, is
14 for our lids that go on the bucket. It comes
15 out the machine and it goes through and you
16 have to get a gasket and put it inside the
17 lid. So that's a 12-hour a day position.

18 So that's one that, you know, think about
19 it, you're doing that all day for 12 hours,
20 and that one is kind of repetitive. And we
21 have a lot of people that love it and that's
22 all they want to do. Then some like me, I
23 have to be all over the place, I couldn't do
24 that, but that's where we see it is in those
25 type of positions, but not so much in the ones

1 where it does require more skill and training.

2 MR. JACKSON:

3 So you see the turnover more as a
4 function of the particular tasks than, I
5 guess, the level of competition among other
6 employers?

7 MR. LATIOLAIS:

8 I would say so, yes, sir. We have -- we
9 lose very little current employees to
10 competition for labor.

11 MR. REINE:

12 So what's the opportunity for advancement
13 for entry level people?

14 MR. LATIOLAIS:

15 That's one of the great things that we do
16 have to offer is with the expansion that we're
17 continuing to see and with this double digit
18 growth is every time we do an expansion, we
19 add capacity. That means that the folks that
20 have been on board, that's where we look to
21 first. We want to promote from within,
22 because even in the entry level spots, there
23 is, you know, certain things that you want to
24 look for and they have that skill set about
25 being there.

1 So when we do an expansion, there's more
2 need for the operator, for the maintenance,
3 for the sale lead, for the shift manager type
4 position. So there has been a good bit of
5 advancement opportunities and will continue to
6 be with the Lord willing, you know. I think
7 we have three of our shift managers that
8 started out in 16, \$17 an hour positions that,
9 you know, two of those now are six figure
10 positions. So I mean --

11 MR. REINE:

12 Is there any kind of training program
13 that -- to the new employees to get the skills
14 necessary to get promoted?

15 MR. LATIOLAIS:

16 The trainings, all the trainings, you
17 know, are in-house. So I wouldn't say it's
18 outside program, but we definitely have set,
19 you know -- and it's -- I have written
20 portions and as well as on the floor trainings
21 because we can't just, even for the more
22 simple tasks, you know, we can't just send
23 them out there and say, you know, it's got to
24 be done safely and to make a quality product.
25 So there's training, like I said, on the floor

1 with certain management from our quality team.

2 MR. REINE:

3 So tell me what No Delay is.

4 MR. LATIOLAIS:

5 No Delay, that's a transportation part of
6 our business that owns an airplane and some
7 other vehicles.

8 MR. REINE:

9 On the combined financial statements, the
10 statements of income and stuff we were
11 looking, how much of that is MKS Plastics and
12 how much is No Delay?

13 MR. LATIOLAIS:

14 No Delay has no income. It's just an
15 expense. I don't know, about a million
16 dollars annually.

17 MS. WOMACK:

18 What page are you on in the...

19 MR. REINE:

20 Oh, I don't know. This is combined
21 financial statements, and the heading on page
22 four and five says, MKS Plastics, LLC and No
23 Delay, LLC.

24 MR. LATIOLAIS:

25 I don't know what --

1 MR. JACKSON:

2 It's on around 154.

3 MS. WOMACK:

4 Okay. I got it. Okay.

5 MR. LATIOLAIS:

6 So No Delay has no operations.

7 MR. REINE:

8 Okay. I just read it on the paper.

9 MR. LATIOLAIS:

10 Yes, sir.

11 CHAIRMAN ROY:

12 Any other questions or comments?

13 MS. GLOVER:

14 I'm really struggling with that livable
15 wage and I get that you have two people who
16 are making six figures, but I --

17 MR. LATIOLAIS:

18 We have a lot of people making six
19 figures.

20 MR. WEGE:

21 I can speak to that if you don't mind.

22 MS. GLOVER:

23 Uh-huh.

24 MR. WEGE:

25 So it's kind of a double-edged sword when

1 we put these applications together. If you
2 look at the EDAP agreement, the MKS by
3 entering into this agreement will have a job
4 and payroll requirement that will follow them
5 for the next ten years. And if we have a
6 downturn in the economy like we saw with
7 COVID, you'll be asking this company to repay
8 a portion of this grant money that they've
9 already spent and used towards this expansion.

10 And so when we put together this
11 application, we do take a bit of a
12 conservative approach to the number of jobs
13 required and the payroll requirement. And so
14 like Mr. Latiolais said, you know, \$18 is a
15 starting wage. We anticipate a lot of these
16 employees are going to start out in a year or
17 two years, three years much higher than that.
18 But for purposes of this application, we don't
19 want to, I guess, put them in that box and
20 make that a requirement that they have to
21 uphold for the next 20 years on top of their
22 existing payroll.

23 So I don't know if that helps at all.
24 It's kind of like the floor with the
25 2 percent, you know, this is their floor that

1 they're going to have to create in order not
2 to have to pay these funds back. As the
3 economy changes and minimum wages in Tickfaw
4 change, their hourly rate is going to change
5 to match that. So...

6 MR. JACKSON:

7 Because at the end of the day, they've
8 got to hit the number of employees as well as
9 the --

10 MR. WEGE:

11 The payroll.

12 MR. JACKSON:

13 -- the payroll.

14 MS. WOMACK:

15 That's correct.

16 MR. WEGE:

17 And they have to be competitive in the
18 market. You know, in order to create these
19 jobs, you know, if nobody's interested in an
20 \$18 an hour job, they're going to have to
21 raise their hourly rates.

22 MR. JACKSON:

23 And I suppose the 4.1 percent
24 unemployment relative to 3.3 statewide would
25 indicate there's perhaps a little more

1 imbalance?

2 MR. WEGE:

3 Correct.

4 MR. JACKSON:

5 A little more labor pool.

6 MR. WEGE:

7 Correct.

8 MR. REINE:

9 So I'm going to ask staff. So in the
10 surrounding areas, what employment
11 opportunities are there and at what rate of
12 pay? Do you have any idea?

13 MS. WOMACK:

14 Not off the top of my head. I know we
15 recently approved S&W Foods, I think they were
16 over in the Hammond area. That's the most
17 recent EDAP I know of that we've done in that
18 area. But off the top of my head, I cannot
19 tell you what the wages were.

20 SECRETARY PIERSON:

21 Mr. Chairman, if I may, just a couple of
22 things here from an economic development
23 professional approach to evaluating these
24 projects, they are not all apples, apples,
25 apples. When we approved the food

1 distribution for Capitol City, great logistics
2 is important. This is a manufacturing
3 opportunity and our manufacturers have a much
4 higher job multiplier.

5 So while they have certain numbers that
6 they're going to hit, the offsite impacts of
7 this are more significant in manufacturing.
8 Those would be our highest priority jobs to
9 try to secure. This is a rural parish, a
10 rural parish setting. So the Governor has
11 asked us to make sure that we roll up our
12 sleeves and do all we can in the rural parts
13 of our state, which are suffering for certain
14 employment opportunities and migration into
15 urban areas such as that.

16 So as we evaluate, we would want to
17 include in our evaluation that the
18 manufacturing and the indirect jobs being
19 created here are important. It's relatively a
20 good wage for that area. If you looked at
21 retail or other opportunities, I think this is
22 a great stepping stone both from a skill level
23 set, and it's demonstrated probably a lot of
24 availability to advance within the company.

25 I don't know how much length of time your

1 employees stay. I know there's turnover at
2 the bottom because that's where you start and
3 it's tough, but you might want to comment
4 about maybe how you've retained workforce over
5 time.

6 MR. LATIOLAIS:

7 Oh, absolutely. Well, like I said, with
8 the exception of, you know, a small amount of
9 positions, we have a high level of retainage.
10 I mean we have, I would say, close to a dozen
11 that are, you know, chartermen of the business
12 there from day one. We always, like I say,
13 very seldom are going outside of our current
14 workforce to bring in somebody for a position
15 that's above.

16 So we definitely have, I think, above
17 average, you know, in general specifically to
18 our area of maintaining the employees that we
19 have. And, you know, we're like family. It
20 is a family business and, you know, we -- we
21 have a, you know, a great atmosphere that, you
22 know, you're not a number, you know, we care
23 about you. We all -- and that's everybody,
24 you know. We're a team, we're a family. I
25 think that goes along with it too.

1 MS. VILLA:

2 Robert, can you announce yourself for the
3 court reporter?

4 MR. WEGE:

5 Sure. My name is Robert Wege with Summit
6 Credits.

7 CHAIRMAN ROY:

8 Any other questions, comments?

9 Motion for approval as presented.

10 Any other discussion? Any comments from
11 the public?

12 Hearing none, all in favor, aye?

13 MR. REINE:

14 I abstain.

15 CHAIRMAN ROY:

16 All opposed, nay?

17 MR. REINE:

18 I abstain.

19 CHAIRMAN ROY:

20 One abstention.

21 MS. GLOVER:

22 I abstain.

23 CHAIRMAN ROY:

24 Two abstentions. I think we have an
25 approval notwithstanding.

1 Yes, sir?

2 MR. REINE:

3 All right. So this wasn't about you, so
4 I hope you don't take it personal, but you're
5 talking about indirect jobs, and all of that
6 and some guy trying to feed his family really
7 don't care about all that. So I think the
8 discussion here is really bigger than you, and
9 it's about how do we uplift the people of
10 Louisiana. Economic Development should
11 provide opportunities for our people.

12 I can promise you, you're not the worst
13 I've ever seen. And at least you want to hire
14 Louisiana people. So please, please don't
15 take it personal. This is just about trying
16 to -- we have concerns for our working men and
17 women in the State and bringing them to the
18 highlight here that we need to uplift them as
19 we go through this process. So I just want to
20 tell you that.

21 MS. GLOVER:

22 And I also want to add to that, because
23 both Louis and I serve on the Louisiana
24 Workforce Commission and we have lots of
25 discussions about what a livable wage is for

1 an individual. I am also the wife of a plant
2 worker and I know the toll that it takes on
3 family. I understand what it is about to have
4 livable wages. I understand the politics that
5 occur inside plants whether the people get
6 promoted or they don't get promoted. Those
7 guys are working 12-hour days, the women take
8 the brunt of it.

9 And the flexibility that they have in
10 their work is limited because he's working 12
11 hours a day or she's working 12 hours a day,
12 so then what their job opportunities look like
13 and who is able to balance it is different and
14 we've got to change something about that for
15 the State. So it's not personal. We need to
16 start figuring out how to get livable wages
17 for people that are people working in the
18 plants working long hours on their feet.

19 MR. LATIOLAIS:

20 Thank you.

21 CHAIRMAN ROY:

22 Congratulations.

23 MR. LATIOLAIS:

24 Thank you, sir.

25 CHAIRMAN ROY:

1 Please keep us posted.

2 MR. LATIOLAIS:

3 Absolutely. Thank you for your support.

4 CHAIRMAN ROY:

5 Yes, sir. Next order of business is Loop
6 Linen. Good morning.

7 MR. BRANDON BURKE:

8 Good morning.

9 MR. TYLER BURKE:

10 Good morning.

11 MS. WOMACK:

12 Good morning. I have Mr. Scott Burke,
13 who is the president and Brandon Burke also
14 here representing the company and I also have
15 Mr. Peter Connick, who is a consultant for
16 Loop Linen.

17 Loop Linen Service, Incorporated is a 4th
18 generation family-owned business founded in
19 1929. Loop Linen is a leading provider of
20 high quality linen services that cater to a
21 diverse range of industries. Loop Linen
22 provides quality medical linen services to all
23 types of health care providers including
24 clinics, imaging centers, surgery doctors,
25 dentists' offices and more. Linen items

1 provided include towels, patient gowns,
2 scrubs, lab coats, sheets, and blankets.

3 They also provide linen items to the
4 hospitality and restaurant industries. Loop
5 Linen provides high quality napkins, table
6 cloths, uniforms, aprons, and chef wear, along
7 with bedding and towels. They are the go-to
8 choice for restaurants and businesses in the
9 area. They are proud to be Hygienically Clean
10 Certified by the Textile Rental Services
11 Association. This means that their linen
12 service meets rigorous standards for
13 cleanliness and hygiene. This certification
14 involves regular testing and inspections to
15 ensure all linens are laundered according to
16 industry best practices. Their concern for
17 cleanliness and hygiene is a testament to
18 their commitment to provide safe and reliable
19 linen services.

20 Loop Linen services the entire south
21 Louisiana region, and their service is also
22 extended to the Southern Mississippi as well.
23 Loop Linen has been operating out of their
24 current, original location since 1931.
25 They've expanded over the years when their

1 site could no longer meet the growing needs of
2 the company.

3 Loop Linen has recently acquired property
4 located in the Fairfield Business Park
5 subdivision located on the Westbank of
6 Jefferson Parish. The current property is a
7 large vacant parcel of undeveloped land which
8 meets basic infrastructure. Loop Linen plans
9 to construct a state of the art facility
10 allowing for the opportunity to meet its
11 growing potential.

12 Total project costs for the facility is
13 estimated to be \$15 million. This entails new
14 building construction site and infrastructure
15 improvements. The EDAP funds will be used to
16 reimburse a portion of the costs related to
17 the infrastructure improvements. Jefferson
18 Parish will also be contributing \$300,000
19 towards improvements to the site.

20 The company will retain 125 existing jobs
21 with an associated payroll of 5.8 increased at
22 2 percent annually. All jobs and payroll must
23 be maintained through December 31, 2036. And
24 you may notice that that date is different
25 than the date that was on the original term

1 sheet in the original Board pack.

2 As the company was preparing with our PR
3 team to do the announcement, it was uncovered
4 that there were some extenuating project
5 delays. So what we have done is we have
6 extended out the capital expenditure deadline.
7 So that deadline is now revised to July 1st of
8 2036 -- of 2026. And then all jobs and
9 payroll are also pushed out as well to be
10 maintained through December 31, 2036.

11 So because of the project delays that the
12 company notified us of, those two changes were
13 made. And, again, that's the change to their
14 Cap X expenditure deadline, it's now July 1,
15 2026, and then the jobs and the payroll was
16 also extended out. So those are to be
17 extended out through 2036.

18 Jefferson Parish unemployment rate was
19 3.1 as of July 2023, compared to the state
20 rate of 3.3 for the same period. Per capita
21 personal income for Jefferson Parish for 2021
22 was \$58,284 compared to the state per capita
23 income of \$54,217. The project is estimated
24 to have state revenues of over \$7.4 million
25 with the company receiving the \$500,000 EDAP,

1 and this will result in a net revenue of
2 slightly over \$6.9 million for the State.

3 Staff recommends approval of this project
4 as a sponsored EDAP with our usual
5 contingencies as well as the retention of the
6 125 jobs with the 5.8 payroll increase
7 2 percent annually maintained through
8 December 31, 2036. Total capital investment
9 of \$15 million is to now be expended by
10 July 1, 2036.

11 And with that, I can introduce Mr. Burke
12 and I also have a representative here from
13 JEDCO. She can speak to any questions on the
14 Parish side as well.

15 MR. CONNICK:

16 First of all, good morning. Thank you
17 for your consideration this morning. Thank
18 you for the staff, LED staff and especially
19 Laura with all her help on the application
20 process. I'm Peter Connick. This is Brandon
21 Burke. And Scott is not here with us today.
22 This a Tyler Burke. Brandon and Tyler are
23 Scott's two boys.

24 Loop Linen is a family-run operation.
25 It's currently a 4th generation. It's been

1 operating in Jefferson Parish for almost a
2 hundred years in its original location.
3 Actually, I think the offices for management
4 is --

5 MR. BRANDON BURKE:

6 Great grandparents' house.

7 MR. CONNICK:

8 -- still in the great grandparents'
9 house. Essentially, what's -- the reason for
10 this new facility that they are planning to
11 build is they've experienced considerable
12 growth in the last, I would say, eight to ten
13 years. And they've expanded the facility to
14 its edges of the property line. They really
15 can't expand it any further.

16 They've located a site in the Fairfield
17 Business District in Jefferson Parish, which
18 is a fairly undeveloped portion of Jefferson
19 Parish, which is essentially the need for the
20 utility structure that needs to be brought to
21 this site. On this site, you know, they plan
22 to build a state of the art facility, which is
23 going to allow them to not only sustain the
24 growth that they've experienced, but to
25 continue to grow.

1 I wanted to touch on something that Laura
2 brought up as far as the timeline change, just
3 give you more details on that. They've been
4 working on this site for this project for
5 about a year and a half. When they located
6 the site, they closed on this site, I would
7 say, about a month and a half ago. They've
8 been working with a construction company
9 called Beverly Construction. Their
10 engineering firm is ARCO/Murray with --
11 Beverly Construction is a design build firm.
12 It was discovered that the soil conditions at
13 this site, given how rural it is in that part
14 of Jefferson, is very poor.

15 In order to put a foundation on this site
16 that was sustainable for this state of the art
17 facility with the current soil condition, they
18 have to do something called -- and I'm going
19 to mess this up, I think.

20 MR. BRANDON BURKE:

21 Rigid inclusion --

22 MR. TYLER BURKE:

23 Rigid inclusion foundation.

24 (CROSSTALK)

25 MR. CONNICK:

1 Essentially, what that means is they have
2 to go and pump cement deep into the soil and
3 let that settle and then go back and put a
4 standard foundation on top. This increased
5 the project cost by \$2 million. Essentially,
6 it became cost prohibited to put this rigid
7 inclusion foundation in place.

8 With the help of Beverly Construction and
9 our engineers, we have discovered an
10 alternative path, which is to improve the soil
11 condition. The way that that's done is you go
12 in and clear the site, bring in and fill in
13 sand. The sand requires a certain period of
14 time to settle and kind of push the water
15 table down. Typically, it's about a 12-month
16 process. Once that happens, you can then come
17 back and the soil condition has improved
18 substantially enough so that you can put a
19 standard foundation on top of it.

20 That's the reason for the change. Again,
21 it was -- it's been a long process developing
22 this site. This was discovered later in the
23 process, but we do have a path forward. And,
24 again, I know that was a concern of the Board
25 so we wanted to get ahead of that and just

1 give you an update on kind of the specifics of
2 it.

3 CHAIRMAN ROY:

4 Any other questions or comments?

5 MS. GLOVER:

6 Did I read that there's not going to be
7 any new job creation in this, correct?

8 MS. WOMACK:

9 Correct. With this one, it's retention
10 only. Because they are essentially building
11 an entirely new facility, the new facility is
12 state of the art and there's efficiencies and
13 improvements, there are no new jobs
14 anticipated to be created. But we wanted to
15 ensure that because this new facility is so
16 streamlined and efficient that there would be
17 no jobs lost. So you are correct that there
18 is no new job creation. This one is strictly
19 retention only.

20 MS. GLOVER:

21 Okay. So then in the line which in our
22 packet, looking at on page 254 comparative
23 figures in the Loop financial analysis,
24 there's a line for production labor. What is
25 considered production labor?

1 MR. TYLER BURKE:

2 Plant costs. Production labor is labor
3 that is on our production floor. So we --
4 essentially, it's the laundry. So we're
5 washing the goods and pushing it through our
6 washers and our irons and then getting it
7 ready to get on the truck. All that is
8 considered production labor.

9 MS. GLOVER:

10 That's equipment, not people?

11 MR. TYLER BURKE:

12 Excuse me?

13 MS. GLOVER:

14 That's equipment, not people?

15 MR. TYLER BURKE:

16 No, it's people. It's a very manual
17 process. You know, we have 80 to 85 full-time
18 employees throughout two shifts.

19 MS. GLOVER:

20 So if that is people, I see it in 2022,
21 '23, and '24. But in 2025 and 2026, there is
22 nothing there.

23 MR. BRANDON BURKE:

24 There was an error, and that was
25 discovered yesterday evening. And me and

1 Peter got on a phone call, I sent him the
2 correct documents and I believe we sent them
3 all, correct?

4 MR. CONNICK:

5 Yeah, so that was discovered yesterday
6 that there was a typo. For production labor
7 and for plant supervisor salaries, there's
8 essentially zero percent costs associated with
9 that. We updated it last night. And as I
10 understand it -- I sent it to Steve Baham last
11 night, but I did not expect for y'all to see
12 it this morning. So we were anticipating
13 coming in and explaining the discrepancy.

14 Essentially, if you look at year on year,
15 accounts, production labor accounts for about
16 15 percent. You know, the overall production
17 expectancy, that's under our new draft, which
18 you can't see, which I apologize for that,
19 that is consistent as well as the plant
20 supervisor salaries that accounts for about
21 1.8 to 1.4 percent. That will remain
22 consistent for 2025 and 2026.

23 That brings the overall production, I
24 think on your chart, yeah, for 2025 and 2026,
25 I think you have a total production expense of

1 around, you know, \$5 million for 2025 and \$5.1
2 million for 2026. Those actual costs for 2025
3 are about \$8.5 million and about \$9 million
4 for 2026. So, again, we apologize for the
5 typo on the projections.

6 CHAIRMAN ROY:

7 Yes, sir?

8 MR. REINE:

9 Okay. So I'm assuming the production is
10 the bottom of the wage rate?

11 MR. BRANDON BURKE:

12 It's an entry level position, correct.

13 MR. REINE:

14 Okay. And so what are those wage rates?

15 MR. BRANDON BURKE:

16 Average, we're about \$16.49 average for
17 the production department.

18 MR. REINE:

19 That's average. So what's the starting
20 wage?

21 MR. BRANDON BURKE:

22 It depends, anywhere between 15.50 and
23 16.50. We tend to pay a little bit more in
24 the evening shifts just because --

25 MR. REINE:

1 So the lowest wage paid employee is
2 making 15 bucks an hour?

3 MR. BRANDON BURKE:

4 Fifteen fifty.

5 MR. REINE:

6 Fifteen fifty. Okay. Any benefits with
7 that?

8 MR. BRANDON BURKE:

9 Yeah, we offer medical, vision, oral, a
10 simple IRA and dental.

11 MR. REINE:

12 And when you say you offer medical, that
13 means --

14 MR. BRANDON BURKE:

15 We have three plans, it's through Humana.
16 We have a very affordable plan that's usually
17 the plan the employees participate in. We
18 have a middle class plan. We have a higher
19 plan. We offer three plans for our employees.

20 MR. REINE:

21 When you say you offer, so what's the
22 employer and employee percentage of the cost
23 for the plans?

24 MR. BRANDON BURKE:

25 I believe it's -- I'm not sure off the

1 top of my head.

2 MR. REINE:

3 Do what?

4 MR. BRANDON BURKE:

5 I believe it's 3 percent.

6 MR. REINE:

7 So the employer pays 3 percent of the
8 cost of the health insurance?

9 MR. BRANDON BURKE:

10 Well, to be completely honest, I'm not
11 sure of that number off the top of my head,
12 but I'd be happy to get it to you as soon as I
13 get out of here.

14 MR. REINE:

15 Okay. So let's ask this a different way.
16 So you offer health insurance that employees
17 have to pay for or you offer health insurance
18 that the employer pays for or you offer health
19 insurance that the employer pays a percentage
20 and the employee pays a percentage?

21 MR. BRANDON BURKE:

22 The employee pays a percentage and the
23 company pays a percentage.

24 MR. REINE:

25 Okay. And so this is a project that's

1 already in the process and it's planned and
2 it's going. And so the staff -- so the only
3 upside is that we're going to maintain the
4 jobs? No, I'm asking you, the staff.

5 MS. WOMACK:

6 Correct.

7 MR. REINE:

8 You present -- I'm trying to figure out
9 what we -- so what's the deal for the staff?

10 MS. WOMACK:

11 We're trying to ensure that this new
12 facility, they will not have any layoffs and
13 that they will retain all of the current
14 employees.

15 MR. REINE:

16 So that would lead me to believe that for
17 \$500,000, they're going to keep the employees
18 that they otherwise wouldn't keep?

19 MS. WOMACK:

20 Correct.

21 MR. REINE:

22 Really? So -- so even if you only needed
23 112 employees, you're going to keep the other
24 employees to satisfy the \$500,000?

25 MS. WOMACK:

1 That is a requirement of the EDAP, yes,
2 that they would have to maintain those jobs.

3 MR. REINE:

4 Which leads me to believe that they were
5 planning on capping 125 employees to begin
6 with.

7 MR. CONNICK:

8 Well, let me speak on that for a minute,
9 sir. So the company currently has 125
10 employees. They're going to retain 125
11 employees, but part of the reason for this new
12 facility is that they have experienced
13 substantial growth and they're continuing to
14 grow. So the opportunity to have this new
15 facility will also lend itself to growth, not
16 only in their production, but growth in their
17 labor.

18 Again, the EDAP program requires that we
19 maintain 125 jobs at an annual payroll at 5.8
20 and two percent minimum increases. We're
21 committed to abiding by that, but that's not
22 the minimum. You know, the whole idea behind
23 this expansion is to grow this company further
24 and stay in Louisiana.

25 MR. JACKSON:

1 This engineering technique, it's been
2 used elsewhere? It's -- you're comfortable
3 that it's actually going to work?

4 MR. BRANDON BURKE:

5 Yes, it will work.

6 MR. TYLER BURKE:

7 Yes, we are.

8 MR. CONNICK:

9 Beverly Construction specializes in these
10 types of developments. And, again, through
11 discussions with them and their engineers,
12 they've given us confidence that this is going
13 to be the most -- the best path forward,
14 again, considering the substantial costs with
15 the other -- again, what is it called again?

16 MR. BRANDON BURKE:

17 Rigid inclusion.

18 MR. TYLER BURKE:

19 Rigid inclusion.

20 MR. CONNICK:

21 Rigid inclusion, my apologizes.

22 MR. JACKSON:

23 Okay. And this is a development, an
24 industrial park in Jefferson that is already
25 established?

1 MR. BRANDON BURKE:

2 No.

3 MR. CONNICK:

4 So the property where the site should be
5 located was owned by a company called Marrero
6 Land, which is a very large landowner in
7 Jefferson Parish. They've owned this property
8 for a hundred years. We believe that is going
9 to be the first development in this area,
10 which will lend to a more industrialized kind
11 of park. But, currently, there is really
12 nothing else close to this out there in that
13 area of Jefferson.

14 SECRETARY PIERSON:

15 A couple of features I'd like to add for
16 discussion and consideration of the Board.
17 Again, all the projects that come before you
18 are not an apple, an apple, an apple. And in
19 this particular case, this is the only program
20 that this company seeks to utilize.

21 Some that have come before you may have
22 Enterprise Zone, Quality Jobs Program,
23 Industrial Tax Exemption Program, other
24 programs. This is a single application for a
25 partnership, a public private partnership here

1 with the State. And, importantly, I think we
2 would speak to having Jefferson Parish also
3 have their voice that this is something that
4 they support and would want to speak to.

5 It is a border market, a competitor, or
6 this company can set up in Mississippi and
7 serve essentially the same market. So there
8 is a theoretical competition out there. The
9 other feature is this newer facility will have
10 modernization. Okay. So it's important for
11 us to see that investment and this
12 modernization happen in Louisiana.

13 And for that reason, the \$500,000 EDAP,
14 which will be monitored over a 10-year time
15 frame essentially amounts to, in rough
16 numbers, \$50,000 a year to ensure that you've
17 got this level of continued employment. And
18 that modernization is -- I'll be gone from
19 this seat and you'll see more projects coming,
20 but modernization is taking labor out of
21 facilities.

22 So to maintain and retain these jobs
23 through one of the new technologies and the
24 ways that the businesses will operate become
25 more and more important. So I would just want

1 you to be mindful of that trend line and these
2 are some factors that led us to make the
3 recommendation of supporting this opportunity.
4 And I'll yield to Jefferson Parish if they'd
5 like to make a comment.

6 MS. WENDEL:

7 I would appreciate it if I could.

8 CHAIRMAN ROY:

9 Ma'am, can you come up?

10 MS. WENDEL:

11 Sure.

12 CHAIRMAN ROY:

13 Thank you. Ma'am, give us your name,
14 please, and your title.

15 MS. WENDEL:

16 Absolutely. My name is Kate Wendel, I'm
17 the Director of Economic and Workforce
18 Development for JEDCO, which is the Jefferson
19 Economic Development Commission. We've been
20 out in Jefferson Parish developing jobs and
21 creating growth for 37 years, if I'm not
22 mistaken. I've been with JEDCO seven years as
23 of yesterday.

24 And I would just speak to the support of
25 this project being a real important first step

Page 69

1 in what was referred to as the Fairfield area.
2 About ten years ago, JEDCO moved from the east
3 bank to the west bank of the Jefferson Parish.
4 And if you're not familiar with Jefferson
5 Parish, that's kind of critical because the
6 west bank is where there's new development
7 opportunities. So we see this as an
8 opportunity to take a multigenerational
9 company, keep them in the area, help them
10 modernize, but also they're really pioneers in
11 that Fairfield area. It's directly as you
12 come off of the Huey P. Long Bridge.

13 And it's really critical that we start to
14 see that west bank area. It's pretty close to
15 the Avondale Global Gateway. And, in fact,
16 it's pretty close to where JEDCO moved ten
17 years ago from the east bank to the west bank.
18 So the Fairfield area and the Churchill Park
19 that JEDCO is developing are all real
20 important kind of growth areas for us. We
21 also appreciate the fact that there will be
22 the modernization that you spoke to because
23 they are very landlocked currently in four
24 buildings, if I'm not mistaken.

25 MR. BRANDON BURKE:

1 Correct.

2 MS. WENDEL:

3 We see them wanting to stay in our area
4 as a huge benefit to the growth of Jefferson
5 Parish and, in particular, the west bank of
6 Jefferson Parish.

7 MS. GLOVER:

8 So, excited to hear that there's
9 substantial growth and development in an area
10 that needs to be developed. I love that there
11 is modernization taking place because
12 Louisiana isn't always at the forefront of the
13 modernization. I assume the modernization
14 will help you be more efficient and save funds
15 in some area because you are becoming more
16 modernized, correct?

17 MR. BRANDON BURKE:

18 That is correct.

19 MS. GLOVER:

20 Great. What is the gender breakdown of
21 your employees?

22 MR. BRANDON BURKE:

23 I don't know the exact --

24 MR. TYLER BURKE:

25 I'd like to speak on that. So on our

1 production floor, kind of what we were
2 speaking of earlier, we are about 80 to
3 85 percent female in our plant. A lot of it
4 is -- I know you mentioned in the other
5 segment about, you know, males working 12-hour
6 shifts, and we're kind of the opposite of
7 that. We have a lot of females that do these
8 roles, and it's for eight hours a day.

9 We also have it set up between our two
10 shifts to where our first shift is 5 A.M. to
11 1:30 to where they can still get their kids
12 off the school bus. And our second shift is
13 1:30 to 7:30, which allows them to take care
14 of the stuff that needs to get taken care of
15 in the morning. We're Monday through Friday.
16 There's no, you know, the weekend. So these
17 employees have the opportunity to take care of
18 the business that needs to be taken care of,
19 you know, in their personal lives, but then
20 also come to work and work for us and help us
21 grow and succeed.

22 MS. GLOVER:

23 I appreciate it, as you know where I'm
24 coming from. But you know my first thought
25 was, well, who got them on the bus at

1 5:00 A.M., but I hear you. I hear where
2 you're going.

3 MR. TYLER BURKE:

4 Yeah.

5 MS. GLOVER:

6 Okay. So 80 to 85 percent women.

7 MR. TYLER BURKE:

8 Yes, ma'am.

9 MS. GLOVER:

10 What is the racial breakdown?

11 MR. TYLER BURKE:

12 Mainly, Hispanic and African American.

13 MS. GLOVER:

14 And their starting pay is about 15 bucks
15 an hour?

16 MR. TYLER BURKE:

17 Yes, ma'am.

18 MS. GLOVER:

19 The same you can make at Chick-fil-A?

20 MR. TYLER BURKE:

21 Possibly, but considering within our
22 industry the other, you know, plants are our,
23 you know, direct competitors, they're starting
24 off at -- I mean we have one competitor that
25 is starting their warehouse positions off at

1 \$10 an hour. Our other ones are making
2 between 12 and 12.50. And, you know, we're
3 well above that of what our direct competition
4 is paying.

5 MR. BRANDON BURKE:

6 And to go off on that as well, I know
7 that you mentioned about the 2 percent raise
8 and whatnot. But in order for us to stay
9 competitive in the work market as well, we've
10 had to raise our rates significantly. So I
11 believe that we are very competitive in the
12 entry level as well.

13 And there is opportunity to grow within.
14 We have several employees that have started
15 off entry level that have worked their way to
16 leads that come with raises as well or in a
17 supervisory --

18 MS. GLOVER:

19 What does a lead make?

20 MR. BRANDON BURKE:

21 Lead makes about 18.

22 MR. TYLER BURKE:

23 Eighteen to \$19 an hour. We pay a shift
24 differential as well with the evening shift.

25 MS. GLOVER:

1 So what does the evening shift make per
2 hour?

3 MR. TYLER BURKE:

4 A dollar more than the morning shift.

5 MR. BRANDON BURKE:

6 Sixteen an hour.

7 MS. GLOVER:

8 So we are growing rapidly, we have modern
9 technology that's saving us money, but we
10 can't pay them more?

11 MR. BRANDON BURKE:

12 We don't have modern technology right now
13 that's saving us money. That's the --

14 MR. TYLER BURKE:

15 Yeah, that's the purpose of the new
16 facility.

17 MR. BRANDON BURKE:

18 And we also do yearly evaluations as
19 well. And these yearly evaluations, we do at
20 the end of the year for every employee and it
21 takes into consideration their attendance,
22 tardiness, work ethic, performance, and
23 whatnot. And we do these reviews at the end
24 of the year, and those warrant typical raises
25 as well.

1 MS. GLOVER:

2 I just came from a business retreat where
3 they talked about evaluations don't work
4 anymore and that -- that was --

5 MR. BRANDON BURKE:

6 Well, we've been around since 1929, so
7 maybe we're --

8 MS. GLOVER:

9 And that was exactly the point.

10 MR. BRANDON BURKE:

11 -- stuck in our old ways a little bit.

12 MS. GLOVER:

13 It was for a society that was hugely
14 manufacturing. We are now, I think, in
15 society. However, the plant that you have is
16 largely manufacturing or not manufacturing,
17 but it's the labor force and --

18 MR. BRANDON BURKE:

19 And I think --

20 (CROSSTALK)

21 MS. GLOVER:

22 -- currently manufacturing.

23 MR. BRANDON BURKE:

24 And I think evaluations are important
25 because it's important to have that line of

1 communication open and communicate to
2 employees where we could see improvement and
3 also communicate to them when they're doing a
4 great job as well. So I care for them. I may
5 be old school, but --

6 (CROSSTALK)

7 MS. GLOVER:

8 (Indiscernible) consistent feedback, not
9 just once a year. I am not (indiscernible) --

10 (CROSSTALK)

11 MR. BRANDON BURKE:

12 No, no, that's all good.

13 MS. GLOVER:

14 I'm sure it's fine. I'm just struggling
15 with -- and I get it.

16 MR. BRANDON BURKE:

17 Yeah.

18 MS. GLOVER:

19 We don't pay people -- people who are not
20 highly skilled or educated, we don't pay them
21 a lot and we don't understand why people are
22 struggling. And I'm just like, it's the
23 livable wage, and I get it. I applaud you for
24 paying more than the competitor. My comment
25 is not about you. I just want somebody to be

1 a disrupter and say, like, I don't want us to
2 applaud on paying women 15 bucks an hour.
3 It's crappy pay. That's what it is.

4 And I get, like, that we're trying to
5 modernize the facility, we're trying to bring
6 stuff to an area that has (indiscernible), I
7 get that, but I cannot applaud \$15 an hour for
8 a woman. I won't.

9 MR. BRANDON BURKE:

10 Fair.

11 MS. GLOVER:

12 And let's give -- and then give my tax
13 paid dollars to support that.

14 CHAIRMAN ROY:

15 Mr. Reine?

16 MR. REINE:

17 So how many employees do you get from
18 your competitors?

19 MR. BRANDON BURKE:

20 I'm sorry, say that again.

21 MR. REINE:

22 How many employees do you get -- when --
23 I assume you have some turnover?

24 MR. TYLER BURKE:

25 Yes, we have some. It's minimal on our

1 production floor though. And I think a lot of
2 that --

3 MR. REINE:

4 I missed the first part you said.

5 MR. TYLER BURKE:

6 Our turnover is fairly minimal in our
7 production area. And I know that can be -- it
8 can be argued either way, but we don't -- we
9 don't have the turnover that other people that
10 you hear about. You know, I talk, we're in
11 many different groups and they're like, oh,
12 man, what can we do to keep these production
13 workers stay. And I kind of scratch my head
14 with that because we keep them. And why do we
15 keep them? I'd say possibly the pay.

16 It could be argued that that's not
17 enough, and I understand that, but our
18 turnover on our production floor is minimal.
19 It's almost nonexistent. We have people
20 that's been working there, you know --

21 MR. REINE:

22 I guess the other side of this is you're
23 not losing any employees to your competitors?

24 MR. TYLER BURKE:

25 No, sir.

1 MR. REINE:

2 And, look, here's my struggle. I agree
3 with her a hundred percent.

4 MR. TYLER BURKE:

5 I do too.

6 MR. REINE:

7 Except for the fact that \$15 is better
8 than zero dollars.

9 MR. TYLER BURKE:

10 Right.

11 MR. BRANDON BURKE:

12 And I mean --

13 MR. REINE:

14 You know, you've got 125 employees that I
15 don't want to throw under the bus to make an
16 example because I don't think everybody else
17 is doing the right thing. That's so -- that's
18 quandary for me. You know, and like I said,
19 it's -- fifteen bucks is, you know, a
20 challenge for folks to try to live on that,
21 but there's 125 people who get \$15/16 bucks,
22 which is better than not having a job. So
23 where do I find that happy meeting?

24 You know, it's my job to worry about the
25 working people of the State of Louisiana, and

1 how do we get them elevated. And like I said,
2 if you're paying them more than everybody else
3 that's doing the same thing, I applaud you for
4 that.

5 MR. BRANDON BURKE:

6 And just to be clear as well, 15 is an
7 entry level starting pay. Our company
8 averages \$24.19, so I don't want to just get
9 stuck on 15. Yeah, it is an entry level pay,
10 but there is opportunity to grow. And as a
11 company as a whole, our average hourly wage is
12 \$24.19.

13 MR. CONNICK:

14 And this doesn't exclude upper
15 management.

16 MR. BRANDON BURKE:

17 Correct, which excludes senior management
18 in this number.

19 MR. ADLER:

20 We're stuck on the 125. I've seen the
21 revenues double in the last 24 months. Annual
22 revenues doubled from \$7 million to \$14
23 million, is that correct?

24 MR. BRANDON BURKE:

25 That's correct.

1 MR. ADLER:

2 So you acquired somebody or --

3 MR. BRANDON BURKE:

4 We made two acquired.

5 MR. ADLER:

6 I mean, is that --

7 MR. BRANDON BURKE:

8 We acquired two companies since 2020.

9 MR. ADLER:

10 So Loop had employees of 50 employees two
11 years ago or 90 employees two years ago, and
12 you bought the companies that had
13 (indiscernible) employees or ...

14 MR. BRANDON BURKE:

15 Correct. We used to operate under just
16 one shift. And with the exponential growth we
17 encountered, we've actually had to move it to
18 two shifts now.

19 MR. ADLER:

20 Was that Louisiana companies you
21 acquired? You kept those Louisiana employees
22 or...

23 MR. BRANDON BURKE:

24 No, it was -- no, we just acquired their
25 business, none of their employees or whatnot.

1 The employees that we had, we had to hire in
2 house.

3 MR. TYLER BURKE:

4 They are all Louisiana employees.

5 MR. ADLER:

6 But how many employees did you have three
7 years ago, if you can remember? Just a
8 roundabout number.

9 MR. TYLER BURKE:

10 Fifty --

11 MR. ADLER:

12 Fifty?

13 MR. TYLER BURKE:

14 -- 60.

15 MR. ADLER:

16 So from 50 to 125 in 24 months?

17 MR. BRANDON BURKE:

18 Since 2020.

19 MR. TYLER BURKE:

20 Yeah, since around 2020.

21 MR. BRANDON BURKE:

22 The first acquisition was made in the
23 summer of 2020. And we actually just got done
24 making another acquisition about a month ago.

25 MR. CONNICK:

1 Yeah, the first acquisition was an asset
2 purchase was sent to us. And so they wanted
3 to kind of keep that business local. And then
4 with that recent acquisition was a company --

5 MR. BRANDON BURKE:

6 Out of Mississippi.

7 MR. CONNICK:

8 -- out of Mississippi.

9 MR. BRANDON BURKE:

10 Out of Mississippi. And we brought all
11 that work in house into Louisiana to --

12 MR. CONNICK:

13 Which that company served a lot of
14 accounts in St. Tammany Parish, so there's a
15 lot of business in Louisiana that was going
16 from Mississippi to Louisiana.

17 MR. ADLER:

18 And my office is three blocks from here.
19 So I walked down there on Main Street and I
20 saw y'all's Loop deal next to Cocha's
21 restaurant.

22 MR. BRANDON BURKE:

23 Yeah. Uh-huh.

24 CHAIRMAN ROY:

25 With the modernization, what are the

1 prospects for future employment?

2 MR. BRANDON BURKE:

3 We really just, like Peter said, we will
4 be keeping the employees at 125. Now, I don't
5 know what the future -- hopefully, it grows
6 with the growth of our company. But as we sit
7 now, where we're looking to just retain 125
8 employees that we have now and as we grow as a
9 company, which this new facility will enable
10 us to do, we'll be able to bring on new
11 employees as well.

12 MR. TYLER BURKE:

13 Yeah, we're running two shifts right now.
14 We really cannot acquire any more, you know,
15 new businesses, big business, or, you know,
16 new clients. We can -- we still have sales
17 people on the streets but, you know, we --
18 some customers go out of business. So we're
19 just kind of retaining the lost business. But
20 with the new facility, a bigger facility, we
21 can, you know, bring in more clients to us.

22 CHAIRMAN ROY:

23 And with that, you think there are
24 prospects for employment growth?

25 MR. TYLER BURKE:

1 Oh, absolutely.

2 MR. BRANDON BURKE:

3 Absolutely.

4 MR. TYLER BURKE:

5 Our industry is a lot of manual
6 operation, you know. We have to feed these
7 machines manually. There's no --

8 MR. BRANDON BURKE:

9 Robotics.

10 MR. TYLER BURKE:

11 -- robotics or machines out there that
12 exist in the world that can do this without
13 human beings. Human beings are --

14 MR. BRANDON BURKE:

15 Essential.

16 MR. TYLER BURKE:

17 -- an essential asset to getting the work
18 done for us, not only in the -- on the
19 production side of the business but, you know,
20 delivering it as well.

21 MR. JACKSON:

22 The skill level required?

23 MR. BRANDON BURKE:

24 Entry level skill level is really, I
25 mean, as long as you can be to work on time,

1 it's not really a lot of skill involved.

2 MR. TYLER BURKE:

3 Very basic.

4 MR. BRANDON BURKE:

5 On our service side, we do require a CDL,
6 Class D and CDL A licenses, so those are more
7 skilled positions. Sales reps, they have to
8 have some sales experience. And in the
9 office, we have our HR, which is a
10 highly-skilled position as well that's -- and
11 just --

12 MR. TYLER BURKE:

13 And maintenance technicians.

14 MR. BRANDON BURKE:

15 Maintenance technicians as well,
16 mechanical knowledge.

17 MR. JACKSON:

18 Right. Right. We're really at a
19 quandary, I guess, historically. Robotics are
20 a threat to a workforce. They are a bigger
21 threat to an unskilled workforce, but we can't
22 completely replace an unskilled workforce.
23 But how do you pay a living wage and it's
24 something that's probably on the cusp of being
25 replaced at some point and keeping them

1 employed? I mean skills are important.

2 That's probably the biggest thing that just

3 doesn't completely sink in and it's

4 unfortunate, but thank you.

5 MR. BRANDON BURKE:

6 Thank you.

7 CHAIRMAN ROY:

8 What's the pleasure of the Board?

9 MR. ADLER:

10 I'll make a motion to approve as
11 presented.

12 CHAIRMAN ROY:

13 Motion for approval as presented.

14 Second. Any other discussion?

15 MS. GLOVER:

16 I abstain.

17 MR. REINE:

18 I'll abstain as well.

19 CHAIRMAN ROY:

20 All right. All in favor -- oh, any
21 comments from the public?

22 All in favor, aye?

23 All opposed, nay?

24 Two abstentions.

25 Without objection, it's approved. Thank

1 you. Please keep us posted on your success.

2 We would love to hear from you in the future.

3 MR. BRANDON BURKE:

4 Thank y'all very much.

5 MS. GLOVER:

6 Thank you.

7 CHAIRMAN ROY:

8 All right. Next order of business,
9 switching gears, is under the Small Business
10 Loan Guaranty Program. Marissa?

11 MS. DOIN:

12 Good morning. Marissa Doin representing
13 staff. Today, I'll be giving an update on the
14 Loan Guaranty and Collateral Support Loans
15 that have been approved in house.

16 Since the inception of the SSBCI Loan
17 Guaranty Program in April of this year, the
18 LEDC In House Committee has approved six loan
19 guarantees. With amounts ranging from \$50,000
20 up to \$1 million, the average loan size comes
21 out to \$326,000 with an average guaranty
22 amount of \$210,000. These six loans have
23 created approximately 30 jobs and retained 36.

24 Four out of these six companies are owned
25 by socially and economically disadvantaged

1 individuals and (indiscernible) throughout the
2 State from here in Baton Rouge to Monroe to
3 Shreveport and Maurepas. With the high
4 interest rate environment that we're currently
5 facing, we're seeing an average interest rate
6 of 9.3 percent. Three out of these six
7 companies are in the construction industry.
8 We have one distributor, one utility line, and
9 one trophy shop, and that sums up the six
10 approved loan guarantees. I will pause here
11 before I move on to the collateral support for
12 any questions, sorry.

13 MS. GLOVER:

14 For the Kingdom Builders, what were they
15 looking for support for? Was that one of the
16 construction companies?

17 MS. DOIN:

18 Yes, that was one of the construction
19 companies, and they work in capital needs.

20 MR. ADLER:

21 Commercial? Residential? Do we have any
22 idea?

23 MS. DOIN:

24 Kingdom, that was residential and
25 commercial.

1 MR. JACKSON:

2 Do we have this in our packet?

3 MS. DOIN:

4 This is just an update, so I don't think
5 anything was submitted like the -- since they
6 were approved already, the loan packets were
7 not submitted with the Board packet.

8 MR. JACKSON:

9 Okay. This is just an update on the
10 in-house approvals then?

11 MS. DOIN:

12 Yes, that is correct.

13 CHAIRMAN ROY:

14 What was the amount -- can you just roll
15 through the amounts of the different ones?

16 MS. DOIN:

17 Sure. We had a \$50,000 line of credit
18 for working capital. We had a \$1 million term
19 loan that was an acquisition for, I believe
20 that was an architecture firm. We had a
21 \$500,000 line of credit for working capital
22 needs, \$200,000 line of credit for inventory,
23 \$131,000 to purchase vehicles that was for a
24 utility line, and then the \$75,000 line of
25 credit for working capital needs.

1 CHAIRMAN ROY:

2 Any questions, comments?

3 MR. REINE:

4 Oh, yeah. So when -- I'm a little
5 confused about how they never come back to get
6 approved here, but that's another story. So
7 when we look at those, we look at the jobs
8 they're creating and how much those jobs are
9 paying, and how they relate to the locations,
10 do --

11 MS. DOIN:

12 We don't typically capture a wage
13 information. For the Loan Guaranty Program,
14 there is a one to two minimum job requirement.
15 And for the Collateral Support Program, it is
16 one created or retained. So that's what were
17 captured on those two programs.

18 MR. REINE:

19 So out of the six programs, so we
20 retained 36 and created 36?

21 MS. DOIN:

22 It's 30 created and 36 retained for loan
23 guaranty of those six loans.

24 MR. REINE:

25 So the purpose of what this does for our

1 citizens in our community, we don't know if we
2 create minimum wage jobs or jobs with benefits
3 or -- I mean, we're taking taxpayer dollars
4 and putting them on the hook for the deal. So
5 my question is, at what point do we say, what
6 are we doing for the people in the State of
7 Louisiana?

8 MS. DOIN:

9 The intent of these programs is not --
10 well, let me say, the intent on these programs
11 is to facilitate the access to capital to
12 borrowers who otherwise aren't creditworthy or
13 unable to get the traditional lending?

14 CHAIRMAN ROY:

15 Mr. Secretary?

16 SECRETARY PIERSON:

17 And I just want to add, again, the
18 different programs that we're bringing to you,
19 these are federal dollars provided by U.S.
20 Treasury with specific targets and the target
21 is not necessarily job creation. It is, as
22 she correctly stated, giving access to
23 companies that might traditionally not have
24 access to capital. And they are loans, they
25 are secured ties, and that program, hopefully,

1 fills a lot of conclusion and diversity into
2 the workforce of our State. And that's the
3 stated goal for the program, and we'll push
4 that along to try to achieve that goal.

5 MR. REINE:

6 And I appreciate that, but I hate to pass
7 the opportunity that anywhere we can, if we
8 promote that here. Look, I've been around
9 here a long time, I done heard all this about
10 all these people leaving Louisiana to get a
11 job. When the truth is, the people we have in
12 Louisiana are leaving to get a job because
13 they get paid better every other place than
14 here. That's the truth.

15 They don't go to Atlanta because they
16 can't get a welding job here. They go to
17 Atlanta because they get paid twice as much to
18 do the same job in Atlanta or Colorado or
19 California or wherever they want to go. So I
20 understand the rules, but there's always that
21 opportunity to try and push forward that we
22 treat our people a little bit better and help
23 raise them economically. And I just don't
24 want to miss that every chance I get to put
25 the plug in for it.

1 MS. DOIN:

2 I understand.

3 MS. GLOVER:

4 What percentage of these companies are
5 women or minority run?

6 MS. DOIN:

7 Of these six, four out of six.

8 MR. ADLER:

9 Yeah, I think if we present this next
10 month, whatever, get us more information like
11 the first one, get us the amount of the loan
12 and --

13 MS. DOIN:

14 Okay.

15 MR. ADLER:

16 -- where they're from, what these are
17 for.

18 MS. DOIN:

19 Okay.

20 MR. JACKSON:

21 Just some statistics. It doesn't have to
22 be the full packet, but just...

23 MS. DOIN:

24 Sure. I'll make sure we do it
25 individually.

1 MR. ADLER:

2 And where they're located.

3 CHAIRMAN ROY:

4 Any other questions or comments regarding
5 the report?

6 All right. Thank you.

7 MS. DOIN:

8 Okay. I had one more for Collateral
9 Support, sorry. For Collateral Support, since
10 the inception of the LEDC In House Committee,
11 has approved one Collateral Support request.
12 This loan was submitted by one of our
13 preferred lenders, Caldwell Bank. This was
14 for a broiler farm located in a rural town in
15 St. James Parish.

16 The In House Committee approved a
17 50 percent Collateral Support request. That's
18 a \$150,000 cash collateral support on a
19 \$300,000 loan, and this was needed to install
20 a solar array system for the farm. Two
21 full-time jobs were retained, and this one was
22 a SEDI transaction.

23 MR. REINE:

24 What type of farm?

25 MS. DOIN:

1 A broiler farm.

2 MR. REINE:

3 Oh, okay.

4 CHAIRMAN ROY:

5 Is this our first Collateral Support?

6 MS. DOIN:

7 Yes.

8 CHAIRMAN ROY:

9 Okay.

10 MS. GLOVER:

11 Do we know if it's woman or minority
12 owned at all?

13 MS. DOIN:

14 Yes, this one is.

15 CHAIRMAN ROY:

16 Any other questions or comments regarding
17 a Collateral Support approval?

18 MS. GLOVER:

19 Always know I'm excited that it came from
20 a rural area. I know that was a concern of
21 ours that other people around the State were
22 going to be supported, so great job on that.

23 MS. DOIN:

24 Thank you.

25 MS. RANEY:

1 That's due to all the terrific marketing
2 the team has done around the State, which I'll
3 provide an update on that a little bit later.

4 CHAIRMAN ROY:

5 Okay. Anything else?

6 MS. DOIN:

7 That's it. Thank y'all.

8 CHAIRMAN ROY:

9 Thank you.

10 Ms. Shamelda, the Micro Lending Program?

11 MS. PETE:

12 Good morning. Shamelda Pete for staff.
13 Since April, LED has received 25 Micro Lending
14 applications, five of which came from one of
15 our six lenders, Carter Credit Union; seven
16 came from Essential Credit Union; 11
17 applications from JEDCO; and two from NewCorp.
18 Three applications were withdrawn by the
19 applicant. Five applications are currently in
20 queue. And 17 applications have been
21 approved.

22 The total amount of MLP loans is
23 \$1,095,630 with the average loan amount of
24 \$49,801, and the average SSBCI MLP
25 participation is \$24,900. The overall MLP

1 participation in this loan is \$547,815. The
2 average interest rate is 7.53 percent. The
3 total jobs created, 40 total jobs were created
4 and 54 jobs were retained.

5 In Traunch 1, LED allocated \$4 million to
6 the MLP program of which 14 percent has been
7 utilized by these loans, which is \$547,815.
8 The balance is now \$3.4 million.

9 Any questions?

10 MS. GLOVER:

11 Do you happen to know the percentage of
12 the applicants who were confirmed or in the
13 queue whether they're women or minority owned?

14 MS. PETE:

15 No, and that's because SEDI is voluntary
16 disclosure, unless it's based on location,
17 that's the only thing that we're required to
18 actually verify. So although we don't have
19 those numbers, that doesn't mean that we don't
20 have these types of organizations. It's at
21 their discretion to disclose. A lender can't
22 require them to answer those questions.

23 MS. GLOVER:

24 Even though a lender can't require them,
25 can they still ask; and if they respond --

1 MS. PETE:

2 They did.

3 MS. GLOVER:

4 Okay.

5 MS. PETE:

6 Yes, ma'am. We have the SSBCI program,
7 one of the items that we include is a SEDI
8 disclosure form and a demographic form. So
9 but, again, the borrower has the discretion as
10 to if they will provide that information.

11 CHAIRMAN ROY:

12 Any other questions or comments?

13 MR. JACKSON:

14 Is there any way to make an unofficial
15 assessment of that based on any of the other
16 financial information? I'm thinking economic
17 side more than --

18 MS. PETE:

19 Yeah, definitely. We can compile the
20 information on those who have provided that
21 information to us. Just to keep in mind,
22 banks are limited Federally in terms of the
23 Civil Rights Act in terms of what questions
24 they can ask, because one point of these
25 programs is that some of the borrowers may

1 have been discriminated against based on those
2 characteristics, which would be one of the
3 reasons why they are reluctant. And the
4 purpose of the program is really to facilitate
5 the access to capital for the SEDI-owned
6 businesses.

7 MR. JACKSON:

8 We do believe we're collecting sufficient
9 information to demonstrate to the U.S.
10 Treasury that we're in --

11 MS. PETE:

12 Yes.

13 MR. JACKSON:

14 -- in compliance and using the funds as
15 needed.

16 MS. PETE:

17 Absolutely. Also, another item to keep
18 in mind, Louisiana, six out of -- I'm sorry,
19 not six, 60 percent of our State is considered
20 a certified developing finance investment
21 area. What that means where in rural areas in
22 that the livable wage, as we pointed out
23 today, is lower. So --

24 MR. JACKSON:

25 So we're deemed to admit it.

1 MS. PETE:

2 Yeah. Yes. I'm not sure, but I think 90
3 percent of our applications or transactions
4 we've approved thus far have fallen within the
5 SEDI category?

6 MS. RANEY:

7 One hundred percent of Micro, 44 percent
8 of Guaranty, and 100 percent for Collateral
9 Support so far as well as Venture Capital.

10 MR. REINE:

11 Those percentages are what?

12 MS. RANEY:

13 Percentages of the overall transactions
14 under each program that is coded as a SEDI
15 transaction. So all transactions that have
16 closed under the Micro Program are all SEDI
17 transactions, meaning they meet that Socially
18 and/or Economically Disadvantaged Individual
19 owned business definition that Treasury has
20 put out which is divided in one of four ways.

21 MR. REINE:

22 Okay.

23 CHAIRMAN ROY:

24 Any other questions or comments regarding
25 the report?

1 MS. PETE:

2 Thank you.

3 CHAIRMAN ROY:

4 Thank you.

5 Ms. Bigner, Louisiana Seed Capital?

6 MS. BIGNER:

7 Good morning. Okay. We have closed on
8 one Seed Capital Fund. The name of the fund
9 is Boot64 Magnolia Fund 1, LP. It was closed
10 on July 17th. It was -- we've committed \$5
11 million. We have funded \$287,500 for them to
12 do investments. They've closed on one
13 investment and they have three, plus another
14 one that they just added yesterday they sent
15 me last night. So, actually, they have four
16 that are running through due diligence.

17 Of the \$287,500, I expect that almost 80
18 percent of it will be invested with these kind
19 of transactions. So, therefore, they will be
20 coming back for additional capital to invest
21 in future investments. The investments were
22 in the information technology field, software
23 development, and biotechnology. They are
24 using these investment dollars for working
25 capital, software development, expanding the

1 current sales and commercialization of
2 products. These businesses have -- will be
3 retaining 19 full-time jobs, 22 part-time
4 jobs, and creating 16 full-time jobs and seven
5 part-time jobs.

6 All of the investments have met the
7 qualifications for SEDI-owned businesses, and
8 the businesses have been located either in New
9 Orleans or in Baton Rouge. If you have any
10 questions, I'll be happy to answer them.

11 CHAIRMAN ROY:

12 What was the amount of the Seed Capital
13 injection?

14 MS. BIGNER:

15 Okay. So 32 --

16 MS. RANEY:

17 31.5 --

18 MS. BIGNER:

19 -- 31.5.

20 MS. RANEY:

21 -- overall total allocations of that
22 program over the 10-year life of SSBCI.

23 MS. BIGNER:

24 We've got 60 for Venture Capital. We
25 have two Seed funds that we are hoping to be

1 able to close before the end of the year.
2 We're waiting on some edits on the funding
3 agreement. And then we have one Venture
4 Capital fund that we are hoping to close
5 before end of the year also.

6 CHAIRMAN ROY:

7 Any other questions or comments?

8 Thank you.

9 MS. BIGNER:

10 Thank you.

11 CHAIRMAN ROY:

12 Next order of business, the
13 Secretary-Treasurer's report. Ms. Villa?

14 MS. VILLA:

15 Good morning. Anne Villa, Undersecretary
16 for LED presenting the Secretary-Treasurer's
17 report as of September 29th for the fiscal
18 year 2023/2024 period. So the first page is a
19 summary of our budget for FY'24, it's
20 \$58,947,902. And we have approved projected
21 expenditures of \$864,160. And we have Board
22 -- pending Board approval of \$2,328,375, which
23 gives us a sub-balance of \$55,755,367. We
24 currently have \$4,200,000 under review, which
25 gives us a projected year-end balance of

1 \$51,555,367.

2 So I'll go to the next page, which kind
3 of breaks all of this out into our categories.
4 So on the next page, our Financial Assistance
5 Program has a budget of \$190,000. We don't
6 have anything under review, so we have a
7 projected year-end balance of \$190,000. And
8 our State Small Business Credit Initiative, we
9 have a budget of \$27,852,617, which is broken
10 up between our Venture Capital of \$11 million,
11 Seed Capital of \$10,500,000, Collateral
12 Support of \$4,500,000, and Loan Guaranty of
13 \$1,216,105.

14 We have a total of projected expenditures
15 of all of those different categories of
16 \$864,110. And we have also under Board
17 approval a total of \$43,375, which leaves us
18 with a projected balance of \$27,135,082.

19 On to the next page of our
20 Secretary-Treasurer's report, we have our
21 Small Business Innovation Research Funds which
22 has a budget for fiscal year '24 of
23 \$1,664,528, which is broken out between our
24 Innovation Retention Fund of \$1,105,000, our
25 Innovation Recruitment Fund of \$500,000, and

1 our Innovation Research Fund of \$59,528.

2 There is currently nothing in the
3 pipeline for that pending the Board approval.
4 We do have an application period that was set
5 up for the retention fund and suspect that we
6 should see something forthcoming on that, but
7 we have a projected year-end balance of
8 \$1,664,528.

9 If you go to the next page, our Capital
10 Outlay Appropriation for Economic Development
11 Award Program, we have a budget of
12 \$27,029,795. And we have pending board
13 approval of \$2,285,000, which were approved
14 today, which leaves us with a balance of
15 \$24,744,795. Our projects under review amount
16 to about \$4,200,000, which leaves us a
17 projected year-end balance of \$20,544,795.

18 And our Capital Outlay for our Economic
19 Development Site Readiness Program, we have a
20 budget of \$2,210,962. There aren't currently
21 anything under review, so we'd expect that to
22 be our year-end balance.

23 Go to the next page, we have our
24 Projected Fund Balance Availability of
25 \$56,241,746 for fiscal year '24. And we have

1 total expenditures expected of \$17,324,682,
2 which leaves us a total appropriation fund
3 balance of \$38,917,064.

4 I know that's a lot of numbers. So if
5 you have any questions on the
6 Secretary-Treasurer's report, I'd be happy to
7 answer any of those.

8 CHAIRMAN ROY:

9 Questions? Comments?

10 I have one, we had budgeted for the Loan
11 Guaranty Program, I guess, an amount and we
12 had to move some funds, is that correct?

13 MS. VILLA:

14 The Loan Guaranty Program of \$1,216,105
15 was what the fiscal budget was for fiscal year
16 2024, but you're asking if we had to move some
17 dollars?

18 CHAIRMAN ROY:

19 Yes.

20 MS. RANEY:

21 So we added money from our Traunch 1 that
22 we received from SSBCI federal funds to allow
23 more guarantee to account for the increased
24 volume that we have received. You may have
25 noticed the number of guaranteed loans that

1 was on the agenda this time. That's more than
2 the Collateral Support Program, and that's
3 quite the opposite of what we anticipated in
4 2021 when we started with our application.
5 The economy in the (indiscernible) in a
6 different place in 2021.

7 So I shared these comments with AJ
8 yesterday when we had our Board pre-call and
9 I'll share them with you, it's my personal
10 opinion, given the economic landscape with
11 inflation rising prices and rising interest
12 rates, that from a lender's perspective who is
13 interested in minimizing the risk of a loan
14 transaction, our guarantee (indiscernible) 80
15 percent maximum dollar amount of \$1.5 million
16 carries far more value to a lender to help
17 mitigate any risks identified in the
18 underwriting process (indiscernible)
19 Collateral Support Program.

20 I also think that's probably the reason
21 why we're seeing more guaranteed loans right
22 now than Collateral Support. So because of
23 that, we did have to shift some money from
24 Venture Capital to the Guaranty Program so we
25 can continue to have enough funding for the

1 guaranteed loans that are coming in.

2 Having said that, we are within our
3 authority according to the Treasury guidance
4 to within that traunch as we have received it
5 to change the program allocations, if needed,
6 in order to provide funding.

7 CHAIRMAN ROY:

8 That's a good example to the extent that
9 we continue to see an increase in Loan
10 Guaranty demand, which is plausible, we don't
11 see that as being problem at all?

12 MS. RANEY:

13 No, sir. We have the flexibility to
14 adjust, if needed.

15 MR. JACKSON:

16 Where do we stand right now in hitting
17 the targets that we need to hit on Traunch 1?
18 Particularly, I guess if we have to shift
19 money that we're using it quicker, and so that
20 ought to be good news, I guess.

21 MS. RANEY:

22 Well, since we started in April, we're
23 approximately 17.589 percent into our Traunch
24 1 funding. We received \$32.8 million; 5.7 has
25 been extended. In the eyes of Treasury, that

1 would count towards our ability to report
2 80 percent extending our ability to transfer
3 which will enable us to call in our Traunch 2.

4 So --

5 MR. JACKSON:

6 What's the deadline for that?

7 MS. RANEY:

8 We are estimating it is about
9 December 31, 2025 that the Treasury guidance
10 states three years from the anniversary in
11 which our allocation signed with the U.S.
12 Department of Treasury, which is January 1st
13 this year -- excuse me, December 26, 2022.

14 MR. JACKSON:

15 Okay.

16 SECRETARY PIERSON:

17 I'll just add to that why this is
18 excellent news, we are authorized up to
19 \$113 million from Treasury, but they don't
20 give it to you all on day one. You have to
21 move, force these targets to get the
22 additional allocation. So the more production
23 that's achieved moves us closer to the next
24 traunch and the next traunch and we've
25 optimized the value for our businesses in the

1 State.

2 CHAIRMAN ROY:

3 Just curious, I've heard in other federal
4 programs that as you achieve your goal or you
5 fund the traunch levels, occasionally, that
6 more money is even released. To what extent
7 do we think that's even a possibility?

8 MS. RANEY:

9 So I believe what you are referring to is
10 the SEDI enhancement. Every state received a
11 preliminary allocation, Louisiana's was \$74.2
12 million. But every state and participating
13 jurisdiction also received from the Treasury
14 office a SEDI goal, which means we have to
15 share through our reporting. So many
16 transactions have been close to what they
17 define as SEDI-owned businesses. And if we
18 are successful in achieving that goal at 54.89
19 percent, we will receive an extra \$40 million.

20 So that's how we go from \$74.2 million as
21 our base minimum to receive from the Feds to
22 potentially \$113.2 million. So while it is
23 noted from an economic statistical reporting
24 perspective, we will try to extract as much
25 information on the demographics as to what

1 businesses are benefiting from the overall
2 programs, but we are absolutely in tune to the
3 required reporting and compliance from the
4 U.S. Treasury Office because that is
5 essentially worth \$40 million ensuring
6 accurate SEDI reporting.

7 CHAIRMAN ROY:

8 I'm just wondering if there's an
9 opportunity above the 113 if we were to knock
10 the ball out of the park.

11 MS. RANEY:

12 Not so far. However, we can keep asking.

13 MS. VILLA:

14 I think also just from a historical
15 standpoint, we saw that happen in the first
16 round of SSBCI where you had states that
17 weren't meeting or obtaining their goals that
18 were set out. And so those monies that were
19 left over, correct me if I'm wrong, but I
20 believe that there was additional dollars
21 available to those states that were performing
22 well to get. So I think that's what you're
23 kind of getting at.

24 CHAIRMAN ROY:

25 Yes.

1 MS. VILLA:

2 Yeah. So this is a long program, seven
3 to ten years, so we'll see and, hopefully,
4 we're on the positive side of that where we
5 are able to show that we're doing everything
6 that was asked of us, and we have very
7 successful programs, and we are able to
8 perhaps get some of those dollars that other
9 states weren't able to push out.

10 CHAIRMAN ROY:

11 Very good. And I know Kelly is going to
12 comment more on the progress, but it looks
13 like very good progress thus far.

14 Any other questions, comments for
15 Ms. Villa?

16 Hearing none, I'll entertain a motion to
17 accept the Treasurer's report.

18 MS. GLOVER:

19 Motion to accept.

20 CHAIRMAN ROY:

21 Motion to accept. Any comments from the
22 public?

23 Hearing none, all in favor, aye.

24 ALL:

25 Aye.

1 CHAIRMAN ROY:

2 All opposed, nay?

3 Without objection.

4 All right. The Accountant's report,
5 Ms. Dalgo?

6 MS. DALGO:

7 Hello, I'm Crystal Dalgo, and I'll be
8 presenting to you the LEDC Accountant's Status
9 Report. There was a page missing from the
10 report from the mailout we noticed, so we had
11 provided you with a fresh copy of the report.
12 And I'm going to start with page one. There
13 will -- the 1.0 Guaranteed Loan Portfolio is
14 as of August 31, 2023, it consists of nine
15 loans. The Portfolio totals \$2,092,153.
16 There are two loans past due, which are
17 Tactical Drilling and TDS Trucking.

18 The allowance for SSBCI 1.0 Guarantee
19 Loan Losses for this period is \$404,575. It's
20 reflected at the blended rate of 19.34 percent
21 for the current and past due loans.

22 Tactical Drilling reported to the bank
23 that they have since sold the company and paid
24 off their loan. And for TDS Trucking, the
25 bank is trying to work with them.

1 On the next page of my report we have the
2 EDAP Loan Portfolio, and it is, as of
3 September 30, 2023, it consists of four loans
4 totaling \$2,694,532. All loans are current
5 and the allowance for the EDAP loan loss is
6 \$404,180. The allowance is reflected at the
7 current rate of 15 percent.

8 And on the last page of my report, we
9 have the LEDC Funds Guaranteed Loan Portfolio
10 with three loans. And as of August 31, 2023,
11 the portfolio totals \$2,557,437. The
12 allowance for this portfolio is reflected at
13 the current rate of 18 percent and totals
14 \$460,339.

15 And new on our report this time is the
16 SSBCI 2.0 Guaranteed Loan Portfolio. As of
17 August 31, 2023, there are two loans and the
18 balance is \$38,890. The allowance for the 2.0
19 Guarantee Loan Losses is reflected at the
20 current rate of 18 percent and totals \$7,000.
21 If you notice that the Build Commercial
22 Construction is listed at zero on there, and
23 that's because they were at a line of credit
24 and hadn't drawn yet as of August 31, 2023.
25 And the other mentioned loans previous that

1 Marissa mentioned, they had been closed, but
2 the closing documents weren't received until
3 like mid-September, so therefore, there was no
4 balances to report on my report and you would
5 have to receive them next time.

6 MR. JACKSON:

7 I think this is actually the information
8 that we were asking about earlier that we've
9 always seen with SSBCI 1. But as we close
10 them, actually, that would be the kind of the
11 statistics to see.

12 MS. DALGO:

13 Yeah.

14 CHAIRMAN ROY:

15 Questions or comments?

16 I have one. No doubt, we've had a
17 healthy loan loss reserve in general for
18 years, and we haven't had any problems. As my
19 banker friend knows, those of us in the credit
20 business have to constantly reexamine that to
21 analyze the jobs in economic times ahead, just
22 want to be -- make sure that we're thinking
23 about that, not to say we need to do anything,
24 but the historic numbers may not be adequate.
25 We have to get out, first of all, I think

1 about bad days as just, I know y'all think
2 about it, but just reiterating.

3 MS. RANEY:

4 We have had conversations recently,
5 Crystal and I on that very topic, and I'd also
6 like to share with you if you are not already
7 familiar, that part of the fiscal process,
8 what Crystal does when she's notified of a
9 past due loan, she does actually increase the
10 set aside for that particular transaction. So
11 while the entire reserve for the program has
12 not increased above that 18 percent, if a loan
13 does go past due for that particular loan
14 transaction, the set aside for that particular
15 transaction is increased in anticipation of
16 possible default. And if it gets back on
17 track and on time, we'll make the adjustment,
18 but I wanted to share that extra detail.

19 CHAIRMAN ROY:

20 Thank you. Anything else, Ms. Dalgo?

21 MS. DALGO:

22 No.

23 CHAIRMAN ROY:

24 Okay. Can I entertain a motion to accept
25 the Accountant's Report?

1 MS. GLOVER:

2 Motion.

3 CHAIRMAN ROY:

4 Motion. Second. Any comments from the
5 public?

6 All in favor, aye.

7 ALL:

8 Aye.

9 CHAIRMAN ROY:

10 All opposed, nay.

11 Without objection. Thank you.

12 MS. DALGO:

13 Thank you.

14 CHAIRMAN ROY:

15 All right. Finally, the Secretary is
16 with us here today. Secretary Pierson?

17 SECRETARY PIERSON:

18 Thank you, Mr. Chairman. I always want
19 to pause to just thank the staff at LED for
20 the outstanding job that they do. I think you
21 can see that they've been very well organized
22 and have good answers and very technical
23 issues that they've been dealing with, so
24 continue to be very proud of their
25 performance.

1 I hope you may be able to join us at the
2 Statewide Small Business Summit that LED will
3 be sponsoring. We're going to be in Lafayette
4 on Tuesday the 24th of October. You can see
5 more about it online. But as you all
6 typically do have a strong role with our small
7 businesses, we're close to, I think, 500 in
8 attendance as well, what our expectation is
9 right now. The Governor will open the program
10 at 9 o'clock in the morning over there at the
11 Cajun Dome. So if your schedule allows, we
12 would encourage you to join us for that
13 activity.

14 I'm going to go away from SSBCI and leave
15 that for Kelly's rendition, but that's what
16 you've been covering here, so I think you've
17 got a clear understanding of where we're
18 progressing with that program, now seven
19 months old, but it takes some time to get all
20 the legal arguments and everything in place.

21 And as Kelly pointed out, we're marketing
22 so that we continue to try to grow the
23 understanding of the public and the business
24 community that these programs are powerful and
25 available. We haven't taken our eye off the

1 ball with the high concern that we have with
2 saltwater intrusion threat that's ongoing.
3 The Governor's Office of Homeland Security and
4 Emergency Preparedness continues to work
5 closely with the Corps or Engineers. The
6 little bit of rain that we've had has provided
7 some relief. However, the projections on rain
8 are not enough to completely alleviate this
9 issue. So it's going to have continued focus
10 for the State going forward.

11 We are planning for succession at LED. I
12 don't know that you'll get a new Governor this
13 weekend, you may; but, certainly, we're about
14 37 days out from a new administration and this
15 term will end in about 88 days. We've had
16 some tremendous performance at Louisiana
17 Economic Development for our annual year of
18 2023 north of \$23 billion in announced
19 projects, historic employment in our State
20 and, importantly, with rising wages.

21 Obviously, we're not where we need to be yet,
22 but we like to think we work on that
23 consistently to create not just jobs but jobs
24 making good wages and exceed those jobs that
25 are available at a similar wage in other

1 states. That's the goal. And I appreciate
2 Mr. Reine's confirmation of that as being an
3 important goal here.

4 So with that, I will yield to Kelly,
5 unless the Board has any questions or
6 comments. Kelly?

7 MS. RANEY:

8 Thank you. So while we may not have seen
9 each either since May, June, our team has been
10 quite busy. Aside from the production that
11 we've reported on, there's been a great deal
12 of marketing across the State. I want you to
13 know that there is not one person within LED
14 that does not know what SSBCI is.

15 We have a new associate in the office
16 today. I'd like to introduce to you Lauren
17 Cullins, who has joined our team. Lauren, can
18 you stand and say hi?

19 MS. CULLINS:

20 Hi.

21 MS. RANEY:

22 Lauren has joined our SSBCI team. And as
23 I walked her around introducing her to
24 everybody within the agency on Monday, I came
25 across a group of folks comprised of our

1 strategic economic competitive group, project
2 manager, and our business development group,
3 somebody from our international group, and
4 somebody from our marketing team chatting, and
5 every single one of those departments is very
6 familiar with SSBCI and all of the programs
7 that roll up underneath that.

8 We've been working very closely with
9 small business services to promote SSBCI
10 throughout the State in what we call
11 roadshows. Coupling them with our partner,
12 such as T Tax, formerly known as APEX, also
13 with the manufacturing network group and
14 Allied (indiscernible). And so through that,
15 we are sharing the message of all programs
16 geared to small business services, not just
17 those here that provide or ease access to
18 capital, which is a financing program that
19 SSBCI was intended to do and serve, but also
20 those who need some assistance from a business
21 perspective, from certification assistance.

22 There are a number of programs and small
23 business services where they offer networking
24 and mentorship, CEO roundtables, for example.
25 There are a number of programs within LED,

1 especially under the small business services
2 group that I would classify as low-hanging
3 fruit. It's ways that we can cross-pollinate
4 and market our SSBCI financial programs to the
5 clients we're already serving from our other
6 LED programs and departments.

7 And so to share with you some of the
8 areas and groups that we have touched over the
9 past several months in marketing SSBCI, we've
10 done in-person roadshows with these
11 organizations I've mentioned in Lake Charles,
12 Monroe, Shreveport, Alexandria, Lafayette and
13 New Orleans, Thibodaux, and Baton Rouge.
14 We've participated in a number of events with
15 LDA, a number of events partnering with SBA
16 with Urban Leads, also with SBDC. We are
17 approached from business networking groups to
18 present our programs to their memberships, so
19 the group of business owners have information
20 about the new financial programs they may have
21 access to.

22 We have found opportunity within our
23 limited diversity program that has just rolled
24 out under our small business services to
25 promote our programs for SSBCI there as well.

1 We have also participated with the Baton Rouge
2 North Economic Development District, also with
3 our Chamber Executive Conferences this
4 particular year. We take full advantage of
5 our LBA membership. We are marketing in their
6 newsletter roughly five times this year, and
7 we will continue to do that next year maxing
8 out of all of our membership business.

9 For our LED preferred lenders, what we
10 have noticed is, while we have added one more
11 preferred lender since we've had a face to
12 face meeting, we've actually gained more
13 traction with some additional new banks that
14 are originating and sending loans. While they
15 have not yet applied to the LED preferred
16 lender, they are utilizing the program.

17 So just to recap some of our LED
18 preferred lenders for you, Bank of St.
19 Francisville, Citizens Progressive Bank,
20 Citizens Bank and Trust of Vivian, First
21 Guaranty Bank, Caldwell Bank, Evangeline Bank,
22 NewCorp, Cross Keys Bank, Essential Federal
23 Credit Union, Carter Credit Union, JEDCO, New
24 Orleans Business Alliance, Lending Tree, and
25 our newest one, Currency Bank.

1 I'd like to pause for a minute, and I'm
2 sure nobody remembers, but tag along myself
3 because I was asked a question at our last
4 Board meeting if I had spoken to anybody from
5 Currency Bank and I did not recall correctly.
6 I had spoken to somebody from Currency Bank,
7 and we've had additional conversations since
8 then. And I've spoken to them on their
9 non-LED preferred lender call, so I want to
10 get that corrected for the record.

11 But having said that, Home Bank, as you
12 can see by their guarantees that were
13 presented today, Origin Bank, Southern
14 Heritage Bank, Synergy Bank as well. Now
15 Synergy Bank, their banker training is going
16 to take place on October 19th. But those last
17 four banks, while they have not submitted
18 their applications to be an LED preferred
19 lender, they have completed their banker
20 training, not Synergy Bank, that one is on the
21 19th, in order for their commercial group to
22 offer these programs.

23 Now, I've shared my comments with you, my
24 personal opinion as to why we're seeing more
25 transactions under our Guaranty Program than

1 we have under our Collateral Support Program,
2 and that may likely change as the economic
3 landscape changes.

4 With our Micro Lending Program, the
5 lenders that underwent the RFP process that
6 enhanced due diligence, we've selected some
7 great lenders that align with the mission of
8 SSBCI. I'm seeing that based on 100 percent
9 of the loans under the Micro Lending Program
10 are SEDI transactions. I'm also seeing that
11 they are very in tune to the interest rates.
12 We are very aware of the high interest rates
13 today. I'm seeing most of the micro loans
14 priced below prime at fixed rates, which is
15 very nice.

16 CHAIRMAN ROY:

17 And, Kelly, those are locked in for
18 several years?

19 MS. RANEY:

20 Maximum term up to five years. Some of
21 those terms have been three years, but the
22 maximum offered under the Micro Program and
23 our Collateral Support actually is five years.

24 CHAIRMAN ROY:

25 All right.

1 MS. RANEY:

2 So 17.589 percent of our Traunch 1
3 allocation has been expended. I've already
4 shared that update. And so we will continue
5 to provide the updates with our expended to
6 Traunch 1 and then the date of when we will be
7 eligible potentially for the Traunch 2
8 funding, which is essentially going to be the
9 end of 2025. I'd like to pause and see if
10 there are any additional questions on some of
11 those.

12 MS. GLOVER:

13 No questions, though I have a comment
14 about something. So I'm currently involved in
15 CEO Roundtable, which is going fantastic.

16 MS. RANEY:

17 Yeah.

18 MS. GLOVER:

19 Last week, I had the most incredible
20 retreat of my life that was provided through
21 Louisiana Economic Development with the Edward
22 Lowe Foundation. There were a group of 13
23 second stage growth businesses who went to
24 Michigan to participate in this retreat. I
25 kind of hesitate to share it because it really

1 is -- it really is like a gem, but I just want
2 to thank LED for that program. It is really,
3 really phenomenal and I hope more second stage
4 growth businesses take advantage of that.

5 MS. GUESS:

6 We're glad to hear that, because under
7 our Small Businesses Services Division, we
8 sent several of our team, that's been quite a
9 relationship that has been developed over the
10 years and is one of the things that we're most
11 proud of as well.

12 MS. GLOVER:

13 The Edward Lowe Foundation, since they
14 have reached out really to all the states,
15 there was really only three states that
16 participated. Louisiana produces the largest
17 number of entrepreneurs up there, so we're
18 doing something right. Well, we're doing lots
19 of stuff right.

20 MS. GUESS:

21 While I have the mic, and are you done?

22 MS. RANEY:

23 Go ahead.

24 MS. GUESS:

25 I just wanted to point out the map,

1 that's the very last page of your packet, I
2 believe, to show that we are covering the 64
3 parishes within the state. So we're -- I'm
4 sorry. We -- it shows all 64 parishes, but
5 our banker's coverage is covering about half
6 of our state, so we're excited about that.
7 And I'm glad our team is working, we're all
8 working. We constantly get invitations to
9 come and speak and do the roadshow, so it's
10 paying off.

11 MR. JACKSON:

12 I was so excited to see the banks at
13 Northeast Louisiana beginning to come on
14 board. Thank you.

15 MS. RANEY:

16 Well, and that just goes back to a
17 comment about the excitement of the
18 development in the rural communities and word
19 of mouth has spread. And so the bankers are
20 talking and we're getting more interests. And
21 so it's been very exciting to have more
22 presence in Northeast, Northwest Louisiana and
23 playing in those roles, yes.

24 CHAIRMAN ROY:

25 Just to echo that, I know that many of

1 these bankers and I'm sure Andy does too, and
2 this having watched the progression of all of
3 our programs through the years, I think this
4 is sort of a watershed moment. We have
5 realized, by virtue the vast array of products
6 that we have, some newfound recognition not
7 only for the LEDC and the LED in general, but
8 for certainly our new programs, but programs
9 like the Loan Guaranty Program, which has
10 always been bread and butter, I guess of what
11 we've done. But you can see by virtue of
12 today, that just a lot of great stuff, so hats
13 off to all of you and the Secretary for all
14 that you do.

15 Any other questions, comments?

16 Yes, ma'am? You coming to kick us out or
17 you're going to tell us something?

18 MS. DALGO:

19 Yeah, I just wanted to see if we were
20 going to -- Board resolutions, the revised
21 Board resolutions, I just wanted to note that
22 we are adding four named positions to be
23 authorized under the bank account for SSBCI
24 2.0 towards the (indiscernible) banking
25 resolution towards the end of the packet on

1 pages 282 and 283 as being presented for the
2 Board's review and adoption.

3 MR. REINE:

4 What's the current practice?

5 MS. RANEY:

6 The current --

7 MS. DALGO:

8 Go ahead.

9 MS. RANEY:

10 I was going to clarify the question. The
11 current practice for?

12 MR. REINE:

13 Well, for what we're doing with the
14 resolution, and then I will tell you my
15 concern. So it will be further reserved in
16 all those activities in that one of those four
17 positions would sign it?

18 MS. RANEY:

19 So what this is represents the In-House
20 Committee's authority to review any decisions
21 for loans where, for example, under the
22 Guaranty Program, they fall below that
23 \$500,000 mark.

24 MR. REINE:

25 I got that part.

1 MS. RANEY:

2 And then for the Collateral Support,
3 granting that authority. And what we realized
4 is the resolution that was approved, I believe
5 it was March this year, if I'm not mistaken,
6 it was this year, I believe March, there was
7 some explicit language that allowed the LED
8 staff brought to open a cash deposit account
9 under the Collateral Support Program with each
10 loan that is originated in order to secure
11 that cash collateral deposit account to that
12 loan that it was intended to be pledged to.
13 It allowed us to open up the collateral
14 support set aside account (indiscernible)
15 social program loan loss reserve, but we felt
16 we needed to add explicit language in order to
17 have the authority to open up a cash deposit
18 account each time we received a collateral
19 support loan, noting they would be at various
20 banks when we would originate these collateral
21 support loans. And so, yes, sir, we've
22 identified four positions instead of the
23 individual names to account for changes in
24 positions.

25 MR. REINE:

1 And I got that. My concern is, it says
2 to endorse checks, order payment of money,
3 withdraw the funds, deposit from financial
4 institutions. And I would be much more
5 comfortable if it required two signatures.

6 MS. VILLA:

7 It does --

8 MR. REINE:

9 Well, it doesn't say that. It says one
10 signature. It says that currently holding
11 these positions are authorized to make any and
12 all contracts and so and so on, which it
13 doesn't require -- that I can read it here,
14 that requires two signatures, so I would just
15 ask that we move to put that in there. So
16 I'll offer that amendment.

17 CHAIRMAN ROY:

18 Motion to approve it with the amendment
19 of two signatures. Perhaps, that's standard
20 procedure, but certainly a good recommendation
21 and I'm sure the auditor would agree.

22 MS. VILLA:

23 Any one of those gets multitiered.

24 MR. REINE:

25 But does it require all four signatures?

1 MS. VILLA:

2 No, it doesn't require all four
3 signatures, but it does require submission
4 approval by -- submission from the
5 administrator, approval by the manager,
6 approval by me, so there is multitiered
7 approval that it goes through. I see what
8 you're saying, that that's not clear in the
9 resolution that that is to occur.

10 MR. REINE:

11 If we were to give somebody authority to
12 withdraw funds, I would prefer to require two
13 signatures, any two of the four, but...

14 CHAIRMAN ROY:

15 Okay. Okay. So requiring two signatures
16 and that would be on the accounts, CD, et
17 cetera?

18 MR. REINE:

19 Well, in the last push for the reserve --
20 resolved --

21 MS. VILLA:

22 I know what you're saying.

23 MR. REINE:

24 -- currently-held positions that would
25 require two people to sign it.

1 MR. ADLER:

2 Second. And just to make sure being in
3 banking, the banks don't look at that anymore.
4 That's more of an internal control, so we're
5 going to have to make sure we open those
6 statements that are requiring interim control.
7 Banks do not look at that anymore. They will
8 let it pass with one signature all day long.

9 MR. REINE:

10 Well, it would make me feel better if we
11 set it as two signatures. I'm only
12 responsible for what I do, not for what the
13 bank does.

14 MS. VILLA:

15 We had talked about multitiered level
16 approval within the department, but the one
17 phone call from the bank for every transaction
18 goes to one person. So that --

19 MR. REINE:

20 As long as this resolution says it
21 requires two signatures to do all this
22 activity, I'm good.

23 So you want to vote on my amendment?

24 CHAIRMAN ROY:

25 Yes, sir. So a motion, and a second by

1 Ms. Glover to approve the resolution as
2 amended. Any comments from the public?

3 All in -- any other discussion?

4 MR. REINE:

5 Do we vote on the amendment or you just
6 automatically -- the amendment to the
7 resolution?

8 CHAIRMAN ROY:

9 That's what we're going to do.

10 MR. REINE:

11 We didn't vote on the amendment yet.

12 MR. ADLER:

13 Approve the amendment before we --

14 CHAIRMAN ROY:

15 Oh okay. I was going to present it as an
16 amendment, if that's appropriate. All in
17 favor, aye?

18 ALL:

19 Aye.

20 CHAIRMAN ROY:

21 All opposed, nay?

22 Without objection, approved per
23 Mr. Reine's suggestion. Good idea.

24 Any other business?

25 MR. REINE:

1 Move to adjourn.

2 CHAIRMAN ROY:

3 Motion to adjourn. Second.

4 We're adjourned. Thank you for coming.

5 (WHEREUPON, THE MEETING ADJOURNED.)

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 R E P O R T E R ' S C E R T I F I C A T E

2 I, KELLY S. PERRIN, a Certified Court
3 Reporter, Certificate #23035, in good standing with
4 the State of Louisiana, as the officer before whom
5 this meeting was taken, do hereby certify that the
6 foregoing 137 pages;

7 That this testimony was reported by me in
8 stenographic machine shorthand by Computer-Aided
9 Transcription, transcribed by me or under my
10 personal direction and supervision, and is a true
11 and correct transcript to the best of my ability
12 and understanding;

13 That the transcript has been prepared in
14 compliance with transcript format guidelines
15 required by statute or by rules of the Board, that
16 I have acted in compliance with the prohibition on
17 contractual relationships, as defined by Louisiana
18 Code of Civil Procedure Article 1434 and in rules
19 and advisory opinions of the Board; that I am not
20 of counsel nor related to any person participating
21 in this cause and am in no way interested in the
22 outcome of this event.

23
24
25

1 This certification is valid only for a
 2 transcript accompanied by my handwritten or digital
 3 signature and the image of my State-authorized seal
 4 on this page.

5 Signed:



KELLY S. PERRIN, CCR

6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25