STATE OF LOUISIANA

LOUISIANA ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS MEETING

BEING HELD ON THURSDAY, MAY 8, 2025

617 NORTH THIRD STREET, FLOOR 1, LABELLE ROOM

BATON ROUGE, LOUISIANA

REPORTED BY:

KRISTIE GARRISON, CCR

E X A M I N A T I O N I N D E X

APPEARANCES:

BOARD MEMBERS:
CHAIRMAN A.J. ROY, II
CHARLES E. JACKSON, III
CAL SIMPSON
NORISHA K. GLOVER
JOSH FLEIG
MEGAN MANNING
JAMES LYON, JR. (Absent)
RICKY PATEL (Absent)
STEPHEN DAVID, JR.

STAFF MEMBERS PRESENT:
MOLLY HENDRICKS
ROBIN PORTER
KELLY RANEY
CRYSTAL DALGO
KARLA HENDERSON
MARISSA DOIN
ANNE VILLA
CHARITY FINISTER
LETICIA JOHNSON
REBECCA KLEINPETER

SPEAKERS FROM THE AUDIENCE:
JOE FAIRCHILD, DAIGREPONT & BRIAN
MARC KATSANIS, CHAFFE & ASSOCIATES
MICHELLE BRECHTELS BAYER, NEWLAB
CAM POOLE, GREATER NEW ORLEANS, INC.

THE CHAIRMAN:
Anne, you have the floor.
MS. VILLA:
Good morning, I'd like to call to order the finance order.
Charity, if you could take role, please.
MS. FINISTER:
Good morning.
A.J. Roy, III?
THE CHAIRMAN:
Here.
MS. FINISTER:
Charles Jackson?
MR. JACKSON:
Here.
MS. FINISTER:
Megan Manning?
MS. MANNING:
Here.
MS. FINISTER:
James Lyons?
Ricky Patel.
Cal Simpson?
MR. SIMPSON:

Here.
MS. FINISTER:
Norisha Glover?
MS. GLOVER:
Here.
MS. FINISTER:
Stephen David?
MR. DAVID:
Here.
MS. FINISTER:
Russell Richardson.
Josh Fleig.
MR. FLEIG:
Here.
MS. FINISTER:
We have a quorum.
MS. VILLA:
I'd like to make a motion since we have a full quorum for the board that we move to close the finance committee and take up the agenda items on the agenda for the full committee of the LEDC board.
THE CHAIRMAN:
I'll second.
MS. VILLA:

Any comments from the public? Any from the board?
All in agreement say "Aye."
THE COMMISSION:
Aye.
MS. VILLA:
Any oppose?
And we will close the finance committee and resume for our regular board meeting.
THE CHAIRMAN:
Thank you, Anne.
I'll call to order the board of directors of Louisiana Economic Development Corporation.
Role call, please.
MS. FINISTER:
Anne Villa?
MS. VILLA:
Present.
MS. FINISTER:
Stephen David?
MR. DAVID:
Here.
MS. FINISTER:

Cal Simpson?
MR. SIMPSON:
Here.
MS. FINISTER:
Charles Jackson?
MR. JACKSON:
Here.
MS. FINISTER:
A.J. Roy, III?
MR. ROY:
Here.
MS. FINISTER:
Megan Manning?
MS. MANNING:
Here.
MS. FINISTER:
James Lyons?
Rickey Patel?
Norisha Glover?
MS. GLOVER:
Here.
MS. FINISTER:
Stephen David?
MR. DAVID:
Here.

MS. FINISTER:
Russell Richardson?
Josh Fleig?
MR. FLEIG:
Here.
MS. FINISTER:
We have a quorum.
MS. VILLA:
And I'll like the record to show that I'm not actually a member of the LEDC board. I'm just a member of the finance committee, so my name doesn't need to be shown for attending as a board member. Thank you.
THE CHAIRMAN:
Thank you, Anne.
Okay. The first order I ask everyone to please silence their devices.
The first order of business is the approval of the minutes of the February 13th meeting. What's the pleasure of the board?
MR. SIMPSON:
I'll vote to approve.
MR. FLEIG:
I'll second.
THE CHAIRMAN:

Motion for approval as presented.
Second.
Any discussion? Any comments from the public? Hearing none, all in favor, "Aye."
THE COMMISSION:
Aye.
THE CHAIRMAN:
All opposed, "Nay."
Without objection.
Moving along, we'll now take up the agenda of the finance committee -- that was on the finance committee agenda. And the first order of business is the financial statements. June 30th, Joe Fairchild, CPA.
Good morning.
MR. FAIRCHILD:
Good morning.
As mentioned, my name is Joe Fairchild. I'm with Daigrepont & Brian. We were contracted by the legislative auditor to do the audit for June 30, 2024. So I'm here to present the results of the audit and just some general information about those financial statements.

So looking at your set of financial statements, page 4. This is our standard audit report. It's three pages long. It provides some general information about the audit, what we did, what the management of the organization did.
If you look at the second paragraph, that's our audit opinion, which is unmodified, meaning it's a clean opinion. It's the highest level of opinion you can issue. And it states that the financial statements are presented fairly in accordance with generally accepted accounting principles.
Then you can look at the next several paragraphs. It basically refers to the basis in which we formed our opinion, what management's responsibilities are for the financial statements, what our responsibilities are for the audit and objectives in performing our engagement.
Then the last paragraph refers to a set of procedures performed under government auditing standards, which is also known as the yellow book. These procedures relate to tests of compliance with contracts, grants, laws,

regulations, things like that. There's a second report at the end of the packet, only yellow book, that did not disclose any findings.
So moving on to the statement of net position, I'm going to highlight some changes from this year -- from last year to this year. First, is cash balances have a decrease of approximately $9 million, which is primarily attributable to some -- decrease in SSBCI appropriations over the treasury. They were invested in some investments, which you can see that down in the non-occurring assets that is shown as $20 million for this year.
Then they have the amounts due from the state increased around $13 million. That's primarily attributable to a non-occurring appropriation of $15 million, which we'll see on the statement of financial activity on the next page.
Then looking at your liabilities, deferred revenue is the largest number there. That decreased to approximately $10 million. Again, it's tied in with SSBCI investments. As those funds were invested, those dollars

were recognized as revenue.
So on the next page, we can see that there's an increase all the way down at the bottom, the change in net position of $20 million. That relates to an increase of $20 million, which derives from, as we mentioned, the $15 million in state appropriations and a $5 million increase in the funds recognized from the SSBCI. Then that's really the only substantial changes in the statement of revenues and expenses from last year.
The next several pages are some footnotes, which go into a lot more detail about some of the items on the balance sheet and the income statement. And then we have some supplementary information. One of the schedules is the schedule of investments, which reports that it costs carrying value, fair market value.
That is pretty much it for the main financial statements. I don't know if anyone has any questions or comments.
THE CHAIRMAN:
Questions? Comments?
MR. JACKSON:

The management's analysis that was omitted, that affect the audit. Does that do anything as far as gas being applied?

MR. FAIRCHILD:

There is a -- it's a required -- but it can be omitted if it's disclosed in the report, which I believe it is disclosed on the third page of the audit report.

MR. JACKSON:

You mentioned it in the opening letter.

MR. FAIRCHILD:

Right, yes. Right.

MR. JACKSON:

Okay. Thank you.

MS. MANNING:

So the SSBCI investment moving to revenue, I'm just curious, how does the investment become revenue?

MR. FAIRCHILD:

It's the deferred revenue. When you receive the SSBCI funds, they're not all -- this was the 32 originally received. It goes to deferred revenue, and then with that revenue when it's invested, that deferred

revenue moves from the liability to the income statement side. The cash, the tally, moves from -- decreases cash and increases the investment. So it's really -- it's two sides.

THE CHAIRMAN:

Any other questions, comments?

Hearing none, I'll obtain a motion on the CPA's report.

MR. DAVID:

Motion.

MR. JACKSON:

Second.

THE CHAIRMAN: Motion for approval. Second by Mr. Jackson.

Any comments from the public? Any other discussion? Hearing none, all in favor, "Aye."

THE COMMISSION:

Aye.

THE CHAIRMAN:

All opposed, "Nay."

Without objection.

Thank you, sir.

MR. FAIRCHILD:

Thank you.

THE CHAIRMAN:

Next order of b business is the evaluation of the LEDC investments by Chaffe.

Morning.

MR. KATSANIS:

Morning.

I'll introduce myself. I'm Marc Katsanis with Chaffe & Associates. We're a business evaluation and investment banking firm based in New Orleans. And we've been contracted to value your -- the LED's investments.

I guess, I'll direct you to page 44 in your packet, which is really essentially the summary of our analysis. As of 2024, June 2024, we performed a valuation of number of investment funds. First, which I'll go into is, this is the only SSBCI 2.0 investment that's reflected in this year's audit valuation. This is a Boot 64, which is a seed investment fund. This was the initial investment. When you initially make an investment in some of these early stage funds because of time horizon and liquidity, you see a decline in early years, and then you'll see

during the investment period and then bump up in valuation in the harvesting years. There was market value adjustment down this year for Boot 64.

The next business resource capital, especially BIDCO. That's BIDCO loan company. There was a slight up market adjustment, $20,000 in 2024.

The next fund on the list, the Catalyst Fund, which is here in Baton Rouge. Early stage investment fund. We had a market value increase of $34,000 in 2024.

The Healthcare Innovation Fund, associated with Lafayette General Ochsner, had an increase of $69,000 for the year.

Louisiana Fund, which is based throughout the state and has focused on life sciences. Had some $47,000 of capital returned to LED this year from exits and upward market adjustment of under $81,000.

Murphree Ventures, which I believe only has one investment left. Had a right down in 2024.

New Orleans Startup Fund, which is early stage funds affiliated with GNO, Inc.

Had a slight market value increase in 2024. And lastly, Themelios Ventures, which is also a life science early stage focused fund. Had a market value adjustment of upward of 61,000 in 2024.

Anyone have any questions I can address them.

THE CHAIRMAN:

Questions, comments?

MS. GLOVER:

I guess I'll ask one real quick one. You said Boot 64 investments were down?

MR. KATSANIS:

It's a function of the market value of any sort of early stage fund because essentially, it's a really long time horizon investment and the way that the financial accounting rules view it, or what if you were to try to sell the ownership interest that LEDC has.

MS. GLOVER:

So I'm assuming that based on the stage where they are right now, there is a large valuation on it, but in due time, assuming that the company does well, the

valuation will increase?

MR. KATSANIS:

Yes, yes. Final investment returns but it's, like, okay, you have this money tied up for seven, ten years. I don't know. For a long period of time because the company is in a really early stage and it's really a matter of kind of that liquidity tie up that produces that value.

MS. MANNING:

What model are you using to get to market value in this exercise? Is there a formula you're using?

MR. KATSANIS:

It's a good question. There are two market value adjustments that are being made. There is a kind of lack of control discount and a lack of marketability discount that's applied. The first, we look at market comparables of equity investment funds. We quantify that discount, which is shown on -- I'm not sure how it's labeled in your exhibits, but our exhibit numbers is Exhibits 2 and 3. And then the second is based upon an essentially option pricing evaluation model

that considers the timing and risk associated with that period of illiquidity. And there's an exhibit for each of those, for each fund investment, which lays out sort of the underlying assumptions in that.

And basically it accounts for essentially -- well, the longer you have to tie up the money, the riskier the investment, the more it's discounted.

MS. MANNING:

So just to summarize, you're discounting based on different types of risk from the initial value?

MR. KATSANIS:

Yes.

MS. MANNING:

Okay. Got it. Thank you. Make sense.

MR. JACKSON:

I think I've asked this question before, but you're valuing our holdings in the individual funds. What do you do with regards to -- and I see that the schedules in all the documents say company prepared or prepared by the fund. What testing, if any, do you do to

the values that the fund has assigned to the individual investments that make it up? Do you do anything to validate that they've at least got a methodology for getting a fair market value? Theoretically, they all do. But do you do any testing at all to validate the market value that they put on those investments that make them up?

MR. KATSANIS:

Yeah. Basically, we go through and interview the fund managers and really discuss each company and have them walk us through their methodology for each one.

THE CHAIRMAN:

You described the model. Is that a standard sort of model in the industry around the country for conducting that type of analysis?

MR. KATSANIS:

Yes, yes it is. For the liquidity.

THE CHAIRMAN:

Any other questions, comments?

Hearing none, what is the pleasure of the board?

MS. GLOVER:

Motion to accept.

THE CHAIRMAN:

Motion to accept the valuation as presented.

MR. JACKSON:

Second.

THE CHAIRMAN:

Second.

Any other discussion? Any comments from the public? Hearing none, all in favor, "Aye."

THE COMMISSION:

Aye.

THE CHAIRMAN:

All oppose, "Nay."

Without objection.

Thank you, sir.

MR. KATSANIS:

Thanks, everyone.

THE CHAIRMAN:

All right. The staff will give us a collateral support program update. Ms. Marissa Doin.

MS. DOIN:

Good morning. Marissa Doin,

representing staff, and I will be updating you all on the in-house approvals for the collateral support program and the Micro Lending Program.

We have had one collateral support loan and seven micro loans approved since the last board meeting.

For collateral support, Basile State Bank requested a collateral support amount of $148,000 for Robin Deshotel Pharmacy. The loan amount on this one was $296,000, and this was used to purchase an existing pharmacy in Mamou. These funds helped with acquiring inventory and FF&E. This was a SEDI transaction and resulted in creating two full-time jobs and retaining three.

And we also had seven micro loans that were requested and approved. We have two approved from Carter Credit Union. Us Up North, LLC. Us Up North is a food service company located in Shreveport. This loan request of $70,470 is for the purchase of a building, equipment repairs, and working capital. This loan was also a SEDI transaction resulting in one full-time job

created and retained.

The second approval from CCU is Affordable Mechanix, LLC. Affordable Mechanix is an existing full-service automotive repair service located in Shreveport. The loan request of $50,000 is for working capital needs. This one is a SEDI transaction resulting in six full-time jobs created and retained.

Essential Credit Union approved three loan applications. The first is Renewed Mind Counseling and Consultation, LLC. This is a mental health private practice located in Baton Rouge. The loan request for 30,000 is for working capital to assist in payroll and other expenses. This is a SEDI transaction resulting in one full-time job retained.

The second loan is Jenkins, LLC. Jenkins, LLC, is a freight trucking company located in White Castle that specializes in hauling sugarcane, sugar, and molasses. The loan request for $20,000 will be used for working capital for operational expenses. This is a SEDI transaction resulting in one full-time job retained.

And the last one for Essential Credit Union is Ascension Lawn and Home Improvements. Ascension Lawn is located in Gonzales and it is a lawn care, landscaping, and home improvement company established in March 2024. The loan request of $10,000 will be used to purchase equipment and supplies. Approval of this request resulted in the retention of one full-time job.

And the last lender is NewCorp, and they have two approved loan applications. The first is Nola Steele Fabrication. They were founded in 2014 and they're a general contractor located in West Wego. They specialize in steel fabrication and installation. The loan request of $100,000 will be used for working capital to fulfill operating costs and material procurement associated with a specific contract. This one is a SEDI transaction resulting in the creation of six full-time jobs and the retention of 12 full-time jobs.

And the last one is Shot in the Dark Productions, LLC. Shot in the Dark is an existing television and film production business based in New Orleans. The independent production firm specializes in documentary and non-fiction media. The loan request of 50,000 will be used for working capital to fund payroll, equipment, licensing, and other operating expenses. This was a SEDI transaction resulting in one full-time job created and retained.

Those are all of the in-house approvals. Are there any questions? Thank you.

THE CHAIRMAN:

You want to roll right into the micro lending?

MS. DOIN:

I did both of them.

THE CHAIRMAN:

You did them both at the same time. Okay. Thank you.

All right. The Louisiana Seed Capital Program. Good morning.

MS. HENDERSON:

Greetings all. Karla Henderson representing staff and I will be providing the update for SSBCI's equity program.

Since the last board meeting in February, we have processed a total of 17 transactions under the Louisiana Seed Capital Program. Please note that all companies that I'm going to mention today have a split between SSBCI and Project Capital Match of the total investment.

Starting, we have Boot 64 Magnolia Fund. Boot 64 is investing in a total of six companies. The first is QiMmana Incorporated, an AI platform company. The total investment is $200,000.

Next, Hello Gravel, Incorporated, a gravel and aggregates delivery company. The total investment in Hello Gravel, Incorporated, a gravel and aggregates delivery company. The total investment in Hello Gravel is $100,000.

Nola AI, Incorporated, is an AI research and development company. The total investment is $500,000.

Next, Kubanda Cryotherapy, Incorporated, is a company that treats tumors in pets. And the total investment is $75,000. KidKred, Incorporated, doing business as

Hilight is an employee engagement platform and has a total investment of $300,000.

The last investment for Boot 64 Magnolia Fund is Blue Flight, Inc. Blue Flight is a drone hardware and fleet management software. And the total investment is $175,000.

Moving on to our next fund, Greaux Innovation Ventures, L.P. I'll refer to Greaux as GIV.

GIV is investing in three new companies. Something Borrowed Blooms, Incorporated, is a flower rental company. The total investment in Something Borrowed Blooms is $100,000.

A marketplace for outdoor experiences, Mallard Bay Outdoors, Incorporated. The total investment in Mallard is also $100,000.

Lastly, CodeGig, Incorporated, a carbon emissions accounting software, and the total investment amount is $100,000 as well.

Next, we have New Orleans Startup Fund. New Orleans Startup Fund will be investing in two companies, Senso Labs,

Incorporated, and Hello Gravel Incorporated.

Senso Labs, Incorporated, is an architecture services company. The total investment amount is $100,000.

Hello Gravel, as you heard earlier, is a gravel and aggregates delivery company. It's being invested in by New Orleans Startup Fund as well, and the total investment amount is $150,000.

Next is Ochsner Ventures Fund. They are investing in one company, another company I also mentioned earlier, Blue Flight Incorporated, that specializes in drone hardware and fleet management software, and their total investment is $250,000.

Propeller Impact Fund is investing in one company. The name of the company is True Coast, LLC, which is a wine and lifestyle brand that celebrates coastal living. The total investment amount is $50,000 in True Coast.

And the last fund, Tulane Innovation, is investing in four companies. First, Biophoundry, Incorporated, a drug discovery and cell-free bio-manufacturing company, and the total investment in Biophoundry, Incorporated, is $250,000.

The next company is Arix Technologies. Arix Technologies is a pipe corrosion inspection and maintenance company with the total investment of $250,000.

Tulane is also investing in KidKred, Incorporated, doing business as Hilight, an employment engagement platform, and the total investment amount there is $150,000.

Lastly, Tulane is investing in Hello Gravel as well. As mentioned, Hello Gravel is a gravel and aggregates delivery company and the total investment is $100,000.

With the exception of QiMana, all of these companies that I mentioned are SEDI-owned businesses. And if there are no questions, comments, or concerns, that concludes my report for this morning.

MS. GLOVER:

I do have a comment, and it's, I guess, it's for you or for anyone else on the staff. So since we have started this fund, based on the reports we've gotten each month, Boot 64 seems very impressive in the work that

they're doing. If ever there is an opportunity for them to present to the board about how they structure it, why they're able to fund so many people, what is your strategy for it, how are they deciding to make investments, it would very much be welcome.

MR. FLEIG:

Yeah, we will ask them to come present, and I couldn't agree more. They have set the pace for this program. What they've also done is they've kind of changed the culture a little bit, and they're just writing more small checks, taking risks earlier on, taking pre-revenue risks. And it demonstrated to the market that if they take the lead, others will hop on. It's a very social game, right? Especially, certainly when you're -- it's hard to spreadsheet this stuff, it's pre-revenue. And so what they've done is a really good job of taking the lead and syndicating some of these deals.

I mean, if you look at just the deal flow activity from the partners, you're hearing they're all writing smaller checks and syndicating. In many cases, Boot 64 is the

lead in those scenarios. I've even spoken to people that are not in the SSBCI program like Benson Capital, which is part of the Benson family's investment portfolio. And Mike Katz, who runs Benson Capital, has said very honestly that he now will save dry powder as they call it, or extra dollars for follow arounds from Boot 64. So you're starting to see the ecosystem begin to work, and I give those guys a lot of credit because they're just moving faster than everyone else's, and they've kind of upped everyone else's game.

MR. JACKSON:

They actually won an award in the small business last year for the best startup or best fund startup. So it's something like that.

MS. RANEY."

They were the equity fund of the year, that's correct.

MR. JACKSON:

Equity fund of the year, yeah. John Roberts, good group.

MS. MANNING:

I can speak to as an angel investor,

something that -- and a founder, something that's very -- can be very frustrating in this ecosystem right now, is in alignment with what Josh said, which is smaller angel investors will not invest until they get that signature investor, that proponent of investing. And so it can be a little bit of chicken and the egg, and people can be very risk averse, and you really need someone in the ecosystem to jump in, and then people will follow. And you see that here with Hello Gravel, right? There's a couple that went through the funds, and it's a little bit. I don't mean this in a disparaging way, but like lemmings, right? Like, once you get one, you can get some momentum. So I think that's something that we should be aware of as a challenge with poor people in startups raising funds is that first check is really hard to get.

MR. JACKSON:

They have an active presence on LinkedIn with ongoing commentary. If you're on that platform, you probably would enjoy reading some of their comments.

MR. FLEIG:

And we will absolutely ask them to come present for us.

MS. HENDERSON:

Thank you all.

THE CHAIRMAN:

Moving along to the Secretary of Treasury's report, Ms. Villa.

MS. VILLA:

Good morning, Anne Villa, Deputy Secretary of CFO for LED. I am here this morning to present the Secretary of Treasury's report as of April 21st, 2025, for fiscal year '25.

Our total budget for the year is $54,314,106, with an approved projected expenditures of $8,347,120. We don't have any pending approval from the board today, so that's expecting your imbalance as well of $45 million. I'm sorry, we have projects under review by the team of 2,950,000, which gives us a projected year imbalance of 43,016,985. I'll take you through each of the individual categories that make up our total budget.

If you go to the next page, our financial assistance program and our state

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small business credit initiative program details within the Venture Capital Fund has a total budget of $6 million. Our Seed Capital, $6,115,000. Our collateral support, $4,315,711. And our loan guarantee program of $841,105. And the Micro Lending Program of $450,000. So the board has approved the projects listed there throughout the year. As I said, we have no current pending board approval and none under review. So we have a projected year imbalance for what we're considering our total financial assistance in SSBCI of 15,337,894.

Go on to the next page. We have our Small Business Innovation Research Fund, which has a budget for FY 25 of 1,573,750 of which 1,052,500 has been expended and we have a balance of $521,251 that's expected per year end.

If you go down to the next page, this is our capital outlay appropriation, which the two categories there is our Economic Development Award Program and our Economic Development Site Readiness Program. And so for FY 25 we have a budget for EDAP of

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32,511,878, of which 4,015,000 has been approved by the board. We have 2,950,000 that are under review, and we have a projected year end balance of $25,546,878.

For capital outlay appropriation regarding to the [inaudible] program, we have 2,010,962 that was budgeted, of which 400,000 has been approved by the board this year. And we expect a balance of 1,610,962.

We go to the next page, overall total fund balance available projected for FY 25 $69,599,788. Total expenditures are expected to be 32,956,274, which leaves an expected fund balance availability of $36,643,514.

Are there any questions related to the Secretary of Treasury's report?

MS. MANNING:

So on page 2, the pending work group amount is the same as the projected year-end balance. Does that mean that the whole budget has been earmarked?

MS. VILLA:

Are you talking about the state small business credit initiative? I don't

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know what your page 2 is. So what's the title? Financial Assistance Program? Is that the first thing listed?

MS. MANNING:

Yes.

MS. VILLA:

Okay. So there's just nothing in front of the board for approval so that's why -- the board's already approved through the course of year 2,000,879. We didn't have anything in front of the board today to approve so that's why it was zero. And then there's nothing currently that the team's looking for.

MS. MANNING:

Got it. I think I mixed my columns up with a zero and fifty million, so that made a lot more sense.

MS. VILLA:

Okay. No worries.

Any other questions? Great, thank you all.

THE CHAIRMAN:

Entertain a motion to accept?

MR. DAVID:

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So moved.
THE CHAIRMAN:
Motion.
MR. JACKSON:
Second.
THE CHAIRMAN:
Second.
Any other discussion? Any comments from the public?
Hearing none, I'll take the "Aye."
THE COMMISSION:
Aye.
THE CHAIRMAN:
Hearing no nay. Without objection.
All right. The accountants report.
Ms. Dalgo, good morning.
MS. DALGO:
Good morning.
I'm Crystal Dalgo. I'll be presenting to you the LEDC Accounting Status Report.
First, we have the SSBCI 1.0 Guaranteed Loan Portfolio. And as of March 31, 2025, it consists of five loans and totals $1,155,439. And the allowance for the SSBCI

1.0 guaranteed loan losses is reflected at the current rate of 18 percent and is $207,979.
For the EDAP loan portfolio, we have two loans and as of March 31st, 2025, the portfolio totals $338,590. And the allowance is reflected at the current rate of 15 percent and is at $50,788.
On the next page, we have the LEDC Funds Guarantee Home Portfolio. It consists of three loans. And as of March 31st, 2025, the portfolio totals $2,411,689. And the allowance for this portfolio is reflected at the current rate of 18 percent and totals $434,103.
Lastly, we have the SSBCI 2.0 Guaranteed Loan Portfolio, and it consists of nine loans. And as of March 31st, 2025, the portfolio totals $1,495,530. And the allowance for the SSBCI 2.0 Guarantee loan loss is reflected at the current rate of 18 percent and it is $269,195.
And that concludes my report. Do you have any questions?
THE CHAIRMAN:
Questions? Comments?

MR. DAVID:
First of all, some of these are balloon payments. They're due at the end of the year. Is that a big balloon payment coming at the end?
MS. DALGO:
No, that one I believe is that loan will be guaranteed. I can look at that for sure and get back with you on the next board meeting.
MS. RANEY:
Typically, the loan term is longer than our guarantee term.
MR. DAVID:
Okay. Thanks.
THE CHAIRMAN:
How do we come up with the methodology for provisions of less than 100 percent? Based on our historical data over a number of years?
MS. RANEY:
You're asking about the formula to create what, Mr. AJ?
THE CHAIRMAN:
Well, anything less than 100

percent, I guess, which obviously we don't have no problem with doing that. But we have 18 percent for the SSBCI, for example, and 15 percent on the EDAP. That's based on historical losses over a period of time or how does that?
MS. RANEY:
How is the 18 and 15 percent derived?
MS. DALGO:
That would be from -- I mean, that's how we've always had the percentages based on, I guess, not -- it was not a big payout guarantee that we didn't have to pay out.
MS. RANEY:
Historical performance on defaults is how it was derived?
MS. VILLA:
Yeah, I'm thinking -- sorry, I was just looking at what AJ was looking, and say for SSBCI 1.0 guaranteed loan losses there's an 18 percent calculation that we're doing for our reserve grants. So we've not had any SSBCI. I'm trying to remember that we've experienced for 1.0.

MS. DALGO:

We've had one panel come in.

MS. VILLA:

So one small one, but it's usually historical information. I don't know that we've re-evaluated that, I would say, in the last few years. I think we can get with the new CPA that's on board and ask for their opinion as based on historical experience that we've had to see if we need to adjust that.

Yeah. I think that that's something we can ask them to do now that they're done with the audit and they've got their first year underneath them that they can help us evaluate what that reserve should be going forward.

MR. JACKSON:

But we -- as those balances that are under guarantee go down, we also end up reducing those balances.

MS. RANEY:

And on the flip side, if the loan is past due, depending upon how significantly past due it is, that reserve percentage may go up.

MS. VILLA:

Correct.

MR. JACKSON:

As long as you're lowering the reserves as the balances drop, I mean, it only takes one to eat it up. I mean, we've got one that's 18 percent of the portfolio, one that's 6.8, one that's 4. If any one of them went bad the next day, I mean, that's 4 percent.

THE CHAIRMAN:

So we don't have much history on SSBCI, it's just a step in the door, I guess the 18 percent. But on the EDAP, we have a little more history. You think it's based on historical losses of around 15 percent? Or we'll check on that perhaps?

MS. VILLA:

Yeah, we can check on that one, too. EDAP we've got obviously a loan history with and we do have clawback provisions that are in that agreement but sometimes even those clawback agreements --

MR. JACKSON:

All of those are clawbacks, right? The EDAP loan losses, those are all on loans

that are in clawback. So they're automatically risky.

MR. VILLA:

Yeah, those we already have a workout agreement on for St. Martin Parish and City of Bastrop, we have those. But then we have allowance for the loan losses, but again, we've got experience. We have a recent loan that was very significant that we had to completely write off.

MR. JACKSON:

That percentage may actually need to go up. If you're having to claw back, the odds are --

MS. VILLA:

But if we -- but when I say claw back or reduce their payment, we're not out anything, right? Because they're paying us back.

MR. JACKSON:

As long as they are paying us back.

MS. VILLA:

Yes, but we haven't had -- in my history of 13 years, we haven't had significant EDAPs that we weren't able to

recapture to some degree. My recollection is few and far in between. So I think that that percentage is fine. But I would like to go and have the CPA go and do that analysis for us. They've got the ability. They can do a separate analysis for the board so we can re-establish what those should be.

MR. JACKSON:

And that may be one where it's in claw back, the bigger the allowance. We got stung really bad on the water.

MS. VILLA:

We did, yeah.

But also market conditions, too, that you know now is the time for them to consider that as well.

THE CHAIRMAN:

Absolutely. Very good.

I'm going to take a motion to accept the accountant's report.

Any other discussion? All in favor, "Aye."

THE COMMISSION:

Aye.

THE CHAIRMAN:

All opposed, "Nay."

Any comments from the public?

Thank you.

MS. DALGO:

Thank you.

THE CHAIRMAN:

All right, Mr. Fleig, president report.

MR. FLEIG:

Okay. Thank you all again for your time and your dedication to this board. We've had a busy couple months since we last met.

I think, just to name a couple of the big projects, the Hyundai Motor Company, as you might have seen, announced a massive $5 billion investment into Ascension Parish. Thanks to -- a lot of work on Ascension Parish resident Anne Villas' part. Thank you, Anne. But it is a game-changing project to produce green steel for their motor vehicles across the southeast. And part of the reassuring effort of American manufacturing in general. And so we're very proud to have that land here.

We also announced recently the

one-side project for a new LNG facility in Calcasieu Parish, which is the largest foreign direct investment in Louisiana's history, 17 and a half billion dollar project.

So some of these huge projects are exciting, they're real, the dollars, the investment is very real, it's transformational for their communities and big for the state. But this organization, this board, this body is very much focused on small business and creating more opportunities for more small businesses and supporting those small businesses.

So one of the projects that we've been working in order to catalyze more small business growth in Louisiana is with our friends from Newlab today, who you'll hear present in just a few moments about their plans to invest in New Orleans.

In addition to that exciting project, I don't want to steal Kelly's thunder here, but we got some really exciting news from US Treasury last week.

Kelly, do you want to share a little bit about that?

MS. RANEY:

I will. This was going to be purposely at the end so I can do mic drop as we concluded.

MR. FLEIG:

You can say for the mic drop if you prefer.

MS. RANEY:

The board has patiently waited just as much as me and our team, even though half of our team is at the LVA convention in New Orleans today. We did get the final stamp of approval to complete our inspection, and that we will be receiving the tranche tube. They send their wires out on Wednesdays and Fridays, so I'm hoping tomorrow, Friday, is our lucky day, otherwise we'll wait till next Wednesday. But we will receive another roughly $32,859,059 to put in these programs.

MR. FLEIG:

And we're ahead of schedule, right? I mean, at the end of the day --

MR. RANEY:

We're slightly ahead of schedule because our last opportunity to call in that

money was December 31, 2025.

MS. VILLA:

I just want to commend publicly the team because I see firsthand the hard work that Kelly and her team, Karla and Shemelda put, Marissa and Florian, I don't want to miss anybody, and our accounting team, too, that support them, you know, with Molly and with Crystal. I mean, they are steadfast. I mean every time Treasurer came back, which they did multiple times, and resubmissions had to be done. I mean, they did it expeditiously, they communicated, and we uploaded the documents, I signed off on the documents. I mean, just commend the team. I can't tell you all how much I'm grateful for, how much I know this board is grateful for what you all do behind the scenes.

So I just wanted to take that opportunity because we were slow out the gate with U.S. Treasury, if you recall, because, and Robin walked out, but Robin and legal really worked hard to ensure that we had all the documentation, all the legal things that we needed to have to support this program. So we were actually behind other states with getting the initial funding done, but once we were out the gates, we were running. And this team's done a great amount of work in a shorter period of time than our other states, and then we're already receiving our second tranche.

So, you know, thank you, and thank you again for all that you all do to support these efforts.

MR. FLEIG:

Thank you, Anne.

Yeah, we're super excited. It's not only important because we get to write more checks into Louisiana-based companies, but we also get to earn interest on these dollars. And so the sooner we can get these dollars into our accounts in Louisiana, the sooner that we can begin to earn some interest to pay for the administration of this program. So it's critical. And we're six months ahead of schedule. So good job.

THE CHAIRMAN:

Do the feds send wires? I hope they don't send checks.

MS. RANEY:

The checks in the mail, right? Isn't that always the story? They will send the wire.

MR. FLEIG:

The wires are working. We were transferred some technical assistance money a couple weeks ago. So we know that the wire is working.

MS. VILLA:

And I just wanted to say something in addition to what Josh just said. We were very fortunate last year during session to get language change that Treasury needed to have us change so that we could earn interest on the money as it sat there in Treasury. Because Treasury is fine with us doing it and using it to administer the program, to use it to help assist with other things that we, you know, maybe we're not doing. And so I think that that's the opportunity that we now have is to reinvest that money, because we do have program administration dollars that they give us, but they -- we can also leverage that to do better and bigger things that we weren't

able to do in the past. So that's the opportunity that we have with those dollars.

And he kind of -- Josh kind of mentioned, but we also were awarded, you know, the SBOP, the Small Business Opportunity Program. Yeah, we got that and we got our first tranche with that. So, I mean, we're just doing a really lot of things in that space to really help develop and invest in the ecosystem that we need to support our small businesses, our entrepreneurs, and our creators.

MR. FLEIG:

That's right. And one of the things that we got told from Treasury and we got told from other states that Louisiana was sort of doing this the hard way and that we running a fund-of-funds program with multiple different funds was complicated. And from an administrative perspective, it is more complicated to run it that way. It's just much more of a regulatory burden to deal with making sure that all these guys are compliant and doing the right thing. A lot of states went and just found, you know, one fund to

kind of administer everything for the entire state. And I have been adamant that although this is the harder way to do it, the purpose with this money is to catalyze and change culture. And that we need to write more small checks and take more risks at an earlier stage in our high growth companies. And to do that, we need more actors in the mix. And that's what I'm most excited about.

Like, when Karla when was reading our report today, we're seeing the volume uptick, we're seeing the number of players begin to write more and more of those checks. And so we took the hard road, and I'm proud that that's the path we've taken, and the goal is to add more of those funds this year.

I will cede the rest of my time to our guests from New England.

THE CHAIRMAN:

Good morning.

MS. BAYER:

Good morning. Thank you so much for having us. We'll do some brief introductions, and then I believe you all have a printout of a presentation in front of you as well.

My name is Michelle Brechtels Bayer. I'm Vice President of Strategy with Newlab.

If it's useful to know a bit about me, my background is in chemical engineering. Most of my research during my engineering days is in carbon capture and sequestration. I then moved to policy world, caught the policy bug, where I moved to Washington, D.C. to support the Office of Science and Technology Policy, which is a federal agency that sits in the White House to help wrangle all of the agencies around very specific priorities that the president has to ensure that we are utilizing our resources appropriately around critical policy areas. I then went on to support the Science and Technology Policy Institute, and then I spent about six years working to build a startup in nuclear energy as a first employee and an operator, and then joined the Newlab about four months ago. So that's me.

MR. POOLE:

Cam Poole, Energy and Innovation Manager at Greater New Orleans, Inc. So many of you might know us as the Regional Economic

Development Organization and serving Southeast Louisiana. Used to work under Josh Fleig there before he became a treasurer back to the state. And over the last three years, one of the constants in my journey at GNO, Inc., has been working with Newlab to develop the platform we're presenting to you all today.

I work across our research institutions in the state, within and outside the 10 parish region of GNO, Inc., around their research and workforce initiatives, serving our growing energy sector, LSU, ULL, UNO and the like. I also have the pleasure of working with a number of small businesses that are both here in the state but also looking to the state as a unique opportunity to grow their business because we are that one-of-a-kind energy destination.

I'll just be representing some of the partnership we've had with Newlab in developing this platform and what we see is the vision for a unique moment to grow both small and large business in the energy and industrial sectors of Louisiana through this project.

MS. BAYER:

Yes, so Newlab is a venture platform that exists and is formed through public-private partnerships. So thank you to all of you and to Cam and the amazing partners that we've been working with in the state of Louisiana to bring this platform to the state and specifically, to the Gulf South where it's just so much tremendous opportunity to diversify and build on the legacy industries here.

So you'll see on the first slide, we have a few existing Newlabs around the world. We started in 2016 in Brooklyn, New York, where really we were looking for a place to allow hard tech, deep tech innovators to build hard things, build rockets, build semiconductor technologies, build things in wet labs and chemistry that you just can't do in a city like New York. And so that's really kind of how Newlab started.

About five years ago, we realized the model that we had been building was really special and something that we wanted to start to expand to. And that's when we started

speaking with the state of Michigan and specifically Ford Motor Company in the city of Detroit to look at how we could bring this innovation ecosystem to Detroit in a way that could help to revitalize and really elevate the existing automotive sector there. So see our facility in Detroit on that page.

And then recently, this year is a big year for Newlab. We announced launching globally into Riyadh, Saudi Arabia, this year. And as well, we are going to be launching in just a few days, not even weeks, but days, Newlab New Orleans. And that's what we're going to talk about today.

So on the second slide, you'll see, our mission really is to accelerate the commercialization of what we call critical technologies that are important, not just globally, but are very important for specific places. So you'll see a number of the technologies listed here from energy, mobility, manufacturing, built environment that we focus on. We use the word "critical" as opposed to deep or hard which all of these words would work but because we truly believe there's an economic growth and economic impact potential for these technologies. So we aren't building dog walking apps, we're building hard things.

On the next slide, you'll see some beautiful stats. But really what we're trying to show here is the stats that matter to us around helping these critical technology companies scale and grow. So the startups that we work with, we're ultimately trying to help them innovate faster, deploy faster, raise capital faster, and ultimately get their technologies from the lab and bench scale into real built -- real-world environments, and then ultimately to work with the corporates to have their technologies deployed in the commercial environment.

You'll see some pictures of some very cool technologies that we've been able to work with.

On slide four, this is really kind of the crux of our model, which as I mentioned earlier, is inherently place-based. And that place-based nature of our model is what helps to translate all of those stats you saw on the

previous slide into economic impact. That's what we're looking to do here in Louisiana.

So the three core pillars of our model are infrastructure. So specific infrastructure that is tailored to the startups that we are working to attract to the place and help them scale their technologies.

Projects, so here we mean working directly with commercial entities, be they public or private, to connect them with startups and help them deploy technology into their product lines, et cetera.

And then finally, capital. We work with these startups to invest directly, but also through a syndicate of global investors that we're able to bring to top-tier investors that we're able to bring to investors in Newlab member companies.

On slide five, you'll see a map of where we currently exist and you'll see the Gulf South region circled in a big circle. Here I'll just kind of speak a bit to, you know, why the Gulf South and why we have this as such a critical place specifically for energy technology. You know, Newlab is not

one of these companies it's looking to have a hundred locations let alone 50, let alone 20. We are very specific about creating a complementary global network around these critical technology areas where each place is the best place to be innovating in that space.

So we want the companies that we're attracting to Louisiana to say I need to be in Louisiana if I'm working on carbon management. I need to be in Louisiana if I'm working on decarbonization. And that is inherent to our model and making it work.

You'll see the other locations I mentioned and some of the logos of our core partners there. I won't go into the other locations here, but when we speak about Louisiana, you'll see a similar mix of public and private companies, entities that we are bringing to be the founding partners of each location.

And I didn't mention Montevideo, earlier just because we don't have a physical hub there, but we do have a large team presence in Latin America.

Okay. So now let's talk about

Newlab New Orleans, which we're so excited to share with you all. And I believe on Monday, May 12th, will be the formal launch publicly of this initiative that LAIO has been working with us and GNO, Inc., and many others.

So, Newlab New Orleans, I guess on the next slide, slide 7, you'll see, it's really all around kind of creating this ecosystem to establish a place for these types of technologies to be attractive and scaled and grown and you'll see the founding partners that we've been working with for many years and the key founding partner from the private side being Shell, but on the private side or on the public side LED, City of New Orleans, Greater New Orleans, Inc., Louisiana State University, and fuel the engine that sits within LSU.

The core areas on slide 8 that we have been developing through this long and very intentional process with these partners are listed here. Industrial power, maritime and shipping, and carbon management. And these initial focus areas also influence the initial infrastructure that we're building out in our facility in New Orleans.

That facility, as you'll see on slide 9, is in the Bywater District of New Orleans, one of my favorite places to visit because of some great restaurants that I love to go over there and eat at. But it's actually at the former Naval Support Activity Complex. Newlab has a theme of often finding old but could be beautiful or once again beautiful buildings to revitalize, like we did in the Brooklyn 80, or like we did in Michigan Central. And we found a beautiful asset similar to that story in the Bywater District.

You'll see here a schematic of that site if you haven't been there, you might not be too familiar with it, but we started construction this year on what we're calling Phase One, which will really be centered around these industrial-sized bays that will allow startups to build technologies and scale them up within a contained environment. We'll also have lab spaces, as we have in all of our locations, and event spaces, places where these companies can gather and share ideas, but ultimately build their technology, and

then quickly get it into the real world environment to prototype, test, collect data, and continue iterating.

In Phase Two, we'll actually be looking to allow our service to scale into the existing buildings that are on the site of the Old Navy Support Activity Complex in the first floor of one of the buildings. This is part of a larger redevelopment project for this area.

I won't go into much detail on slide 10, but the key thing that I want to mention here is this is not just a New Orleans initiative. This is a state of Louisiana initiative. We are anchored in one city, but we are activating access throughout the state that our startups can utilize as they, as real-world testing environments, in partnership, but also for pilots with work corporate partners.

On slide 11, you'll see a number of areas how our programmatic engine is really working to attract and retain these high growth companies in priority sectors. So you've listed a number of the outcomes, the

return of investment that we'll see through the programming in just the first few years.

I would say the first thing is really about curating the best companies to bring them to Louisiana through precision attraction mechanisms. Actually something we've been working on now for quite a while. We have a fantastic cohort of initial startups that will be sitting in our first facility. And creating that talent liquidity is really a reinvestment flywheel to track. I believe it was you, Megan, earlier, who said that first seed investment really helps to attract new companies.

Of course, creating high value jobs, as these companies scale, you might just have the first founder in the space, but ultimately they'll be building out their teams in the state and creating economic development opportunities through that.

And really I would say that probably the key thing is actually the one in the middle, which is private leverage. So we've actually designed our model and our five year plan to amplify the public investment that

we're seeding the platform with to be sustainable through private investment after the first five years. So really engaging deeply with not just Shell, but many other corporate partners to ensure that Newlab will be sustainable in the long term in Louisiana.

And then you'll see here, of course, increasing access to risk capital by having direct access to our global network of investors, and finally, reducing the dependency on legacy sectors and really bringing the technology specialist areas in Louisiana into new energy technologies, into new areas of carbon management, power, and in maritime.

Slide 12, you'll see a number of the key stats that we are holding ourselves to to achieve in that first five-year period. Bringing, you know, building our team here, which we're really excited to work with all of you on as we establish the team and continue our partnership with the founding partners that I mentioned earlier. Attracting startups to the space to be retained here and to scale here. And then ultimately these commercialization outcomes that are probably the most important piece is ensuring that once our startups land here, they're actually able to have their own return on investment by investing in Louisiana as a place, they will have opportunities to sell to existing legislators to build their companies up.

So I will pause there for questions. I believe there's also appendix slides that you might have.

MR. POOLE:

I might just take the liberty of sort of alluding to the first set of companies that we started working with through Newlab. We received Department of Energy grants to recruit but also engage Louisiana-based companies through an industry-led three-month program. So Shell, Motel, and Carpenter, alongside LSU, the fuel teams in GNO, engaged these companies. You may have come across other buzz from them of recent Encore C02, an LSU spin out, Baton Rouge based company has had tremendous success following that program and through the NSF Engine partnership as well. But relevant to the attraction

companies and when GNO, Inc., from our point of view saw this working was now engaging those companies after the program, we're hitting a plus of 50 percent rate on them already landing, teams on the ground, looking at local facilities, and then that pipeline through the socialization across those companies growing beyond the first nine already.

We have a lot of confidence and almost worry that this building will fill out too quickly, which is a really good problem. We're talking about getting companies to come back to or establish themselves in Louisiana. And also, I think a testament to that is some of the first home bases of these not from the state companies are actually in the Lafayette and Acadiana region. So we also saw that this was really essential to the regional partnerships we're all really trying to pursue here and seeing that a facility somewhere doesn't mean impact only there.

So that was just a number of things that through that pilot program really spoke to that recipe of success fitting the regional

context we're trying to place Newlab in.

MS. GLOVER:

So thank you very much for your presentation. It's really interesting and exciting to hear about y'all's investment in New Orleans.

I am curious that when people often talk about energy that, well, yes, they do talk about the Gulf South, they'll talk about this area, talk about the I-10 corridor that extends to Houston. I'm curious as to whether Houston was researched, and if so, why was New Orleans chosen over Houston?

MS. BAYER:

That's a great question. I assumed we would get a question on that.

So I will admit that I was not part of the team at the time. I do believe that Houston was looked at. I don't know if you were part of the team at the time.

MR. POOLE:

Yeah, we were trying to sell them the art here. And I will say this, Anne and Josh also spent some time at the Global Energy Conference based in Houston where Louisiana

collectively endeavored a first big splash. And we heard a lot of things that aligned from industry and other people that came to visit Louisiana that aligned with what I've heard from you why we're the strategic location, which is the level of integration between partners and a lot of the partners invoked in this collaboration is unmatched state by state, including energy states like Texas, which we'd love to mess with further through this project.

And, you know, I think our alignment, like the ability for partners in the state, something GNO, Inc., seriously really like align on a common charge here, which I think for us we're leaning into the measures of success being population retention and growth. Like, knowing that we can do that together, we can achieve that mission together and stay aligned. Industry sees that.

I think actually it was quoted quite directly in the woodside announcement that your ROI is pretty clear here by virtue of that alignment. So it engaged in that Newlab when they were reaching out to us as a wider

exploration. We're certainly pitching them on that.
We've heard that they've found that our ability to again connect those first nine companies to they're using the right labs at LSU and ULL now. That's a product of GNO, Inc., working with them. They're not in our 10-parish region, but we have a state mission to grow the energy sector and the opportunities under that because it's an unprecedented opportunity right now to build upon and achieve those population economic goals. I think we're all -- we all share here, at least not to speak on behalf of the board, but certainly economic development interest from GNO, Inc.
MS. GLOVER:
And so often what people in Louisiana celebrate is our culture is so different from everyone else. And what that means is that sometimes when people come to the state, they are not successful because our cultures are different from everyone else. I expect great success from you all. But what challenges are you experiencing right now

because our challenges -- our culture is so different than everyone else that you are trying to work through that we should be aware of?
MR. POOLE:
I mean, culturally, I again, I hesitate to speak on behalf of Newlab as much as again someone who's been through this partnership so long for them. I think culturally, from an economic lens, we know that headquartered operations have migrated out of state, and whereas we have a large and impressive stack of logos with world-class facilities operating in the state, we lost some of those business services that really drive corporate research and development. And even before Newlab, I experienced it a lot in trying to pitch investments in just four universities along those lines.
MS. MANNING:
Sorry to interrupt. What sorts of business services? I just want to understand.
MR. POOLE:
So those that might be managing a particular corporate's innovation strategy,

which is really going to anchor how they would leverage Newlab and the startup. So the Shell scope of work might be an example of that. And I don't think we can share all the details beyond Shell's made an investment in a new project in the state. And it's going to involve working with a number of new technologies that they've sort of diligence, but they trust Newlab to better identify which companies will fit better in the state and serve that project.
Those decisions right now have been done out of Houston to an extent. So what we're trying to also leverage right now is breaking through the culture of that -- those types of decisions can be well-made here in Louisiana, and I think further, Shell bringing a new headquarters to New Orleans is also indicative of them seeing that wave of change.
So I hate to shift culture back to economics, but I think culturally in New Orleans, there has been a huge wave of innovation. I loved hearing Boots 64 being rightfully touted as a big mover in the SSBCI space. And I think Newlab is rightfully

fitting not just the energy context in the state, but that cultural fabric of innovation and doing it much more seriously here in the state that presents a unique moment.
MR. FLEIG."
Yeah, one of the things you guys won't find in the deck here because the Newlab people are polite and kind, is this is 100 percent about beating Houston, Texas, for the future headquarters of energy. Because we lost, right? We lost the race for Exxon and Shell and BP and on and on and on and on. It's 100 percent of those high paying jobs and the wealth has been driven to Houston. We're at a turning point. It's not a today or tomorrow thing, but we'll see this play out for the next few decades and that the energy landscape is changing.
The innovators' dilemma inside of Shell and Exxon and BP is a very real challenge. We can build the headquarters for future energy from here, and the nexus of power and the nexus of wealth and the job creation engine can be done here, but we have to do something. It's not just going to

happen because our food is good, right? It's going to happen because we invest in systems that can create more high-growth technology-enabled companies in Louisiana. This is an effort to be the future Houston, better food, better people but here in Louisiana.

MS. GLOVER:

So I have a question to that, and I think this is more a Josh question, right? So I remember growing up and people saying like, Baton Rouge and Austin, we're going to be in the same place, and we lost out, and we've gotten behind, and now we're kind of behind Houston. So isn't that -- so in a statement, I feel like what I hear is, we're trying to catch up with something we've lost out of. I think it's great. But why not something like cyber security, which is like the future of the country regardless of pursuing that and trying to be first in that?

MR. FLEIG:

I don't think it's a this or. I think it's a yes and.

Here's the reality. I think these

guys will be successful, and I'll talk a minute about our investment and the team's investment in this, but there is not one solution. I think we need to do this times 50 across all the regions of the state. And so, if we could wave a magic wand, we'd have a Newlab type of partnership across the state in multiple industries that are important to the future of Louisiana.

The reason I'm very keen on this project is I want it to serve as a blueprint for what public-private partnerships could look like in innovation in Louisiana, in that this isn't an effort -- if you look at the balance sheet, this is effectively a $50 million five-year project-ish, right, I'm looking at you guys, and correct me if I'm off on the numbers. But the state's commitment is actually fairly small in the big scheme of things. It's about $8 million over those five years, and we're asking the LEDC board for three off of the balance sheet of unallocated funds. The additional dollars will come from other LED sources. The city of New Orleans is ponying up five and a half, six million,

something like that.

MR. POOLE:

Five.

MR. FLEIG:

Okay. So five and a half million from the city of New Orleans. Fuel, which is the big LSU's driven and National Science Foundation grant, they're putting in $15 million. They're actually the largest contributor to this because their missions are so overlapped. Fuel's mission is to commercialize new energy systems in Louisiana, and that's what Newlab will be doing. And then you have private partners on the other side of the ledger balancing out that, you know, roughly 25, 30 million dollar public investment will be roughly the same dollars. Shell is the only one I think that we're publicly allowed to talk about now because they basically paid for the right to be in the press release and edge out some of the other oil and gas or chemical or energy companies in this.

But this is about building a system that will create the future of energy

headquarters in Louisiana, absolutely. And so I'm excited about bringing this blueprint, though, to other parts of the state, replicating this and saying this is, I need the universities in, I need the cities in, I need -- the state needs to be part of this. And then, more importantly, private industry needs to come in as well. And we know that the big oil and gas guys are not going to do this themselves. They need people that can move quickly and invent things and invent things that can ultimately make money and create jobs. So thank you guys.

MS. RANEY:

Can I suggest for either you or Newlab to also present some of that to Baton Rouge chapter of Rotary, whose meetings are publicized. It's a this great way to get information about what's successfully happening in the state.

MS. MANNING:

Can I just clarify something? Is Newlab a non-profit or a for-profit organization?

MS. BAYER:

Newlab is a for-profit organization.

MS. MANNING:

Okay. So we have seed money coming in from state because of the economic development potential. Great. How does Newlab make money?

MS. BAYER:

Primarily through advisory. So those pilot projects that I spoke about is our primary source of revenue. We do operate our facility at a cost neutral structure. So what we're ultimately -- so essentially, there's a membership fee that startups and founders pay to use the space, but it's essentially as low as we can make it, such as passing on the cost of rent, because we're trying to keep those barriers to entry incredibly low. Similarly, we keep the barriers of entry to capital at zero. So really everything that we're doing, from the startup's perspective, no dollars are transferred really from them to us in terms of revenue. It's our advisory work that we do with corporates to bring innovation opportunities to them.

MR. JACKSON:

So you had one slide that talked about the accelerated effort to a Series A, Series B, a Series C. Are you primarily taking absolute startups, seed stage? Are you similar to, like, a Y-Combinator or that sort of thing? Do you buff them or?

MS. BAYER:

We're not an accelerator or an incubator. We have a very selective process for membership. You know, they have to be able to meet our physical space and they're within kind of the thesis of the technology areas. And we do selectively invest in startups, but that's not a prerequisite requirement for being a Newlab member. I wouldn't think of us like that.

We also don't do programming like you would see in accelerator programs, you know, how to build a pitch deck, et cetera, right? The programming that we provide is how to work a CNC machine, that type of stuff. Like, how do you actually build the hard things? So we have a fantastic team that we call our product realization team that ensures that the startups working in our spaces can

utilize the technology and equipment that we're providing to them. And then ultimately, we're helping to --

MR. JACKSON:

So you're providing more of the hard skills for those C level companies. Are they getting the soft skills? What's the secret sauce that gets you faster to the A, B, and C rounds?

MS. BAYER:

It's actually more being able to move through the technology readiness level, kind of scale up faster, because as you're able to test, collect data on your product development, and then get real feedback, either through real -- how do you say, regulatory sandbox environments, or working directly with corporates and pilots along your TRL technology with maturation and scale. It's really being able to much more quickly to get to a minimum viable product, and then get that product on to market as opposed to you know polishing your pitch.

Being in the environment, though, is a way that you do develop those soft skills.

We have you know a lot of founders who are building hard things sitting together in the same place and that often does happen naturally. We do also invite folks who have those skills and offerings into our spaces. So we'll have presentations, office hours, or just opportunities to have IP lawyers or folks like a white-collar leader who might want to offer programming to come in and support startups.

But we, ourselves, that's not the primary focus. The primary focus is helping them build the hard things smarter. And then it's really faster.

MR. POOLE:

I would just add, Josh and I had to contemplate this a lot, relevant to Newlab's fit, and I think what we recognize, and what Josh has been doing a lot of work in at least from what I can see with our New Orleans-based ESOs is that we have a lot of really great entrepreneurial support organizations in the state that do a lot of that stuff so the question becomes so what are we missing in that nexus of support that builds upon that foundation? What we've been focusing on is making sure the through roads between those ESOs to be left through the office hours, through shared events and stuff, make sure that torch is a bit clearer and that there's also -- this isn't a moment of investing in redundancy, but filling this gap that, again, these other neighboring states and regions that are pursuing a lot of the same economic objectives don't have yet.

And I would also just add that, like, again, for my purview working with the first nine starters is that industry access that Newlab is able to shortcut through the credibility and the scopes of work is also something that most even like Y-Combinators or advanced ESOs will, like, nationally can offer, and that really accelerates that. And the Shell example culminated in them -- I mean, this was sort of free work on y'all's part given the platform's not here yet, but a startup that was engaged with Shell through Newlab to do Louisiana-based projects that Newlab's already invested in directly in anticipation of knowing this thesis is so

strong and that company I've met with a couple times, Newlab in the room, only speaks to the unique opportunity. He sees to move from Boston down here alongside this platform opening. So I think that colors some of that.

MR. JACKSON:

And last question, I promise. You spoke to your process for finding companies that fit the thesis is. How does that flow work? Is there a group at your headquarters that is screening worldwide? Do they show up at Newlab in Brooklyn and you say, oh, you're a better fit. You need to be to New Orleans.

MS. BAYER:

It's just a pretty organic. So folks can apply to a specific location, they see, oh, I'm working on drones, I need to be in Michigan, and they go straight to that team. Or yeah, they'll come to a Newlab event. However they discover us, or we discover them, we have a conversation about what are your capability needs, right? Like, what types of infrastructure do you need access to? What types of potential corporate partners do you need access to? And sometimes

we have members that actually, maybe the CEO is sitting in Brooklyn and the CTO is sitting in Detroit, and that just kind of happens as is necessary.

But yeah, in standing up this new location, it's actually been so exciting because it's really the first time we've had a true concentration around this incredibly, at least I come from the energy sector, right, so it's probably the most exciting space to be innovating in right now. And so yes, we are getting people coming in our doors at Brooklyn and we're saying, just give us a little bit of time, we'll put you on the waiting list, essentially, right, for New Orleans. There's a lot of momentum and a lot of excitement.

Yeah, however we find them, you know, we screen them, we understand if they're a good fit for the community, the technology, the infrastructure, and then we help to direct them however we can.

MR. JACKSON:

Thank you.

THE CHAIRMAN:

Any other questions, comments?

MS. GLOVER:

One last one. What's the membership fee?

MS. BAYER:

For New Orleans, I actually -- I don't know if you do, but I know in Brooklyn, but it's usually like -- I would say it's usually cheaper than your equivalent other type of, like, co-working type space, right? So, for example, in Brooklyn I believe it's roughly $350. If you were to go to, like, a WeWork that doesn't even have a lab, you'd be paying $450 or something like that. So we try to make it actually less expensive to be in our space. But it's also tiered. So we have different levels of membership where you can have just a desk, you can have a full space where you can actually build out your own private lab. It kind of depends on what level of infrastructure you're looking for.

MS. GLOVER:

So the dollar range is, like, low hundreds to?

MS. BAYER:

Depends on the size of the team,

right? So there you're pricing by square foot. But it'll be different and we're happy to follow up with you when we have those numbers on what it'll look like in New Orleans. It's priced for the market. So New York is obviously a higher cost market.

But it'll be priced for the market, and then it depends on, as I said, the level of physical space need. If it's just a single desk, or if they're actually renting out, like, a larger space for a big team.

MS. VILLA:

I don't know if I need to wait for public comment, but I just would like to say that I had the opportunity in February to go with a small team from LED, Josh, myself, and Paige Carter, went up to Newlab, along with our New Orleans partners and got to actually visit the Detroit Newlab facility, which is exactly goes to what she was saying, depends on their needs, in which I thought was awesome because maybe it's just I'm trying to develop a proof of concept and I just need a space to just kind of work on my schematics or whatever concept. And then I'm going to go to the next

level of membership because I actually do need to have that working lab, and then I need this and that working lab, and then I go to the next level. So it was really cool to see the space and how it was geared towards wherever you were in that life cycle of a startup and so I really like that.

And then also just the opportunity to bring their skill set and everything that they've done around mobility in Detroit because, you know, Detroit is mobility and so for what we could do in that space with our creators and our entrepreneurs in the space of energy, it goes directly with our strategic plan, everything, you know, above with the energy space and the future does flow through Louisiana when it comes to energy so I feel like this is an asset that we'll be able to give those to support, not just ones that are here but ones that are elsewhere to relocate here, especially what New Orleans and the Baton Rouge region have been able to do with Age to the Future and that large grant that we received from the federal government. And so we just now, I mean, we're continuing to

invest in that same life cycle, so to speak, of the entrepreneur.

So just wanted to let you all know that I actually was able to attend with Josh and with Paige, our chief business development officer, to see the possibilities and what we could have here in Louisiana.

THE CHAIRMAN:

Very good. Anyone else?

I have a question. I believe Mr. Yeager had an interest in the property. I believe he's deceased and his estate perhaps took over. Has all that been worked out?

MR. FLEIG:

It has. I'm glad you brought this up. You know, this is, for those of you that are not familiar with the site, I think you do have a picture of that site on your deck. Let's see. They are slide Number 9, I believe. If you see the slide, it is the corner of the Industrial Canal and Mississippi River on the edge of the Bywater next to the Lower Ninth Ward. This is a million square foot structure that was owned by the Navy that the Navy abandoned after Katrina. You've had

this massive blighted property, which is sitting on some pretty amazing multimodal real estate right here. There's rail on this site. You have access to the Industrial Canal pretty easily. You can work with the Corps and achieve access to the Mississippi River as well. And then you've got pretty close proximity to Interstate 10 or 610. Not far away.

So, it's an amazing site that has become an enclave for homeless encampments and all sorts of bad activity. And it's left a pretty major part of the city blighted for a very long time. The city owns the property, and they were under a 99-year lease with Joe Yeager. Joe Yeager passed away last year, and they were already, before he passed away, was actually already undergoing a transfer process over to Brian Gibbs Development Company. Brian Gibbs now has full control of this site. Again, ownership is the city, but he has the 99-year ground lease on it. His group has been so kind to offer a zero-dollar ground lease on this space where Newlab will be located. So, in partnership with the city, that's part of their contribution as well, is to not charge any kind of ground rent on that space.

But it's an important project because it's also going to redevelop a million square feet, or help to catalyze. HUD has come in and chipped in about $160 million to kick off redevelopment of the two large main structures. The third building closest -- turn around here -- the third building, I guess, to this edge, if you look on the map to the lower right, is unprogrammed at this stage. And so I'm very interested in figuring out how we can build more of an innovation campus in that unprogrammed third building. That's to be determined, but hopefully this project will serve as a catalyst to kick off this entire kind of redevelopment project out there.

THE CHAIRMAN:

Very good. Anyone else?

What is the pleasure of the board.

MR. FLEIG:

I think we do -- we are asking for $3 million dollars in the first year from the

LEDC balance sheet to be unallocated.

MR. JACKSON:

Motion.

THE CHAIRMAN:

They threw me off the balance sheet and invested in this project. Second.

Any other discussion? Any comments from the public?

All in favor, "Aye."

THE COMMISSION:

Aye.

THE CHAIRMAN:

All opposed, "Nay."

MS. GLOVER:

I'm abstaining.

THE CHAIRMAN:

One abstention.

It is approved. Thank you.

And I want to commend you for -- I know they say don't mess with Texas, but I'm glad we are. And let's see what happens. That's good.

MS. VILLA:

I propose a little trip to the Detroit Newlab facility so you can really see

for your own eyes. I love when I'm able to actually get out of the office and do some fun and innovative things with Josh Fleig, our Chief Innovation Officer, because it is that innovation that's going to really propel Louisiana, not just in this space but all the space around innovation and all of our sectors that are in our strategic plan. So I'm looking forward to what this partnership will bring, but also for this board to really see the possibilities of what we can do for an area of New Orleans when it comes to our creators. And that has an ecosystem as well. We've developed that ecosystem throughout the state over the last 20 years, and this is just going to be another element of that.

THE CHAIRMAN:

Very good. Thank you very much. Please keep us posted on your successes.

One other thing I'd like to interject. I told Kelly, aside from the obvious, I'm attending the Louisiana Bankers Association conference, and I know we have a group there and they make a presentation. I left it in my vehicle, but there's a great

publication that we hand out. It's really well done, just very professional. There's a whole bunch of stuff in the packet, but I just want to commend the staff for all that they do. It'll make a good showing at the LVA conference.

Any other business? Thank you.

MS. RANEY:

$32,859,055.

THE CHAIRMAN:

Very good.

No other business, I'm going to obtain a motion to adjourn.

MS. GLOVER:

Motion to adjourn.

MR. JACKSON:

Second.

THE CHAIRMAN:

We're adjourned. Thank you.

(Meeting concluded on/or about 11:10 AM.)

REPORTER'S PAGE

I, KRISTIE GARRISON, Certified Court Reporter in and for the State of Louisiana, the officer as defined in Rule 28 of the Federal Rules of Civil Procedure and/or Article 1434(B) of the Louisiana Code of Civil Procedure, before whom this proceeding was taken, do hereby state on the Record:

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That this testimony was reported by me in the steno mask reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding;

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

May 22, 2025, Baton Rouge, Louisiana.

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KRISTIE GARRISON, CCR
CERTIFIED COURT REPORTER

Louisiana Code of Civil Procedure

Article 1445 and 1446

Art. 1445. Submission to Witness; Changes; Signing

When the testimony is fully transcribed the deposition shall be submitted to the witness for examination and shall be read to or by him, unless such examination and reading are waived by the witness and by the parties. Any changes in form or substance which the witness desires to make shall be entered upon the deposition by the officer with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness unless the parties by stipulation waive the signing or the witness is ill or is absent from the parish where the deposition was taken or cannot be found or refuses to sign. If the deposition is not signed by the witness within thirty days of its submission to him, the officer shall sign it and state on the record the fact of the waiver or of the illness or absence of the witness or the fact of the refusal to sign together with the reason, if any, given therefor; and the deposition may then be used as fully as though signed unless on a motion to suppress under Article 1456 the court holds that the reasons given for the refusal to sign require rejection of the deposition in whole or in part. A video deposition does not have to comply with the requirements of reading and signing by the deponents.

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