

Selected Economic Highlights for 2015

Dec. 23, 2015

The Economic Year in Review — Louisiana’s job private-sector growth since January 2008 has outperformed the South and the United States overall, with the state ranking No. 2 in the South and No. 11 in the nation for private-sector employment growth during the period.

In 2015, a diverse slate of new economic development project wins combined with significant progress on earlier projects to sustain Louisiana’s private-sector growth trend. Those projects also span the state geographically and include traditionally strong industry sectors as well as emerging sectors in Louisiana’s economy. Examples of growth projects underway in the state include Benteler Steel/Tube at The Port of Caddo-Bossier; CenturyLink in Monroe; Crest Industries and The Hayes Companies in Central Louisiana; Sasol and Cheniere Energy in Southwest Louisiana; Bell Helicopter and CGI in Lafayette; IBM and Brown & Root in Baton Rouge; Danos in Terrebonne and St. Mary parishes; and GE in New Orleans.

Throughout 2015, Louisiana announced dozens of new company expansion and relocation projects that collectively are projected to result in more than 25,000 new jobs and more than \$19 billion in new capital investment, along with hundreds of millions in new sales for small businesses across Louisiana.

Noteworthy new projects announced during 2015 include Formosa’s selection of Louisiana for a potential \$9.4 billion ethylene and downstream chemicals complex; Viking Cruises selection of New Orleans as the homeport for new Mississippi River cruises; plans for expansions of \$1 billion or more by Monsanto and Shintech; a 560-job expansion announced by EPIC Piping in Livingston Parish; IBM’s new 400-job Application Development and Innovation Center in Monroe; an expansion by P&G supplier Plastipak in Pineville; Hazelwood Energy Hub’s \$400 million project in Acadiana; Monster Moto’s selection of Ruston for a 287-job assembly site for youth vehicles; and Dongsung FineTec’s new 250-job cryogenic insulation project at the Port of Lake Charles.

Many publications highlighted Louisiana’s sustained economic development success during 2015. *Chief Executive* magazine reported that CEOs nationwide ranked Louisiana as the most-improved state for business over the past seven years, with Louisiana improving 40 spots since 2010 to now rank No. 7, an all-time high. *Area Development* magazine ranked Louisiana No. 8 among the Top States for Doing Business, while *Site Selection* magazine ranked Louisiana No. 4 in its business climate report. *Business Facilities* ranked Louisiana No. 3 for the Best Business Climate in America, as well as No. 1 in the U.S. for state workforce development programs, highlighting LED FastStart® as the nation’s top program for a record sixth consecutive year. In every national business climate ranking, Louisiana stands higher today than it ever did prior to 2008. Prior to 2008, Louisiana had never placed in the Top 10 of any national ranking of state business climates.

Louisiana outperforms the U.S. and the South

Since January 2008, Louisiana's private-sector economic performance has exceeded that of nearly every other Southern state and the majority of the U.S.

- According to the U.S. Bureau of Labor Statistics, Louisiana has added 90,500 private-sector jobs from January 2008 through November 2015. Louisiana ranks No. 11 nationally and No. 2 in the South for private-sector employment growth in that time period.
- Since January 2008, the number of private-sector jobs in the U.S. has grown 4.3 percent while the South overall has experienced a 5.2 percent increase. Louisiana is up 5.8 percent during that same period of time.
- According to the U.S. Census, Louisiana's population growth rate over the past eight years through July 1, 2015, was 6.7 percent – slightly faster than the U.S. rate during that time.
- For the eighth consecutive year, Louisiana has experienced net population in-migration, with more people moving into Louisiana than leaving the state. This continues a healthy trend for Louisiana after the state experienced a quarter-century of migration losses, with more people leaving Louisiana than moving into the state for 25 years in a row.
- The 2015 Kauffman Index of Startup Activity ranks Louisiana No. 13 among states with the highest rate of entrepreneurial activity, with 113 startup firms for every 100,000 residents in the state.
- The U.S. Chamber Enterprising States 2015 report ranked Louisiana as the No. 1 state in the U.S. for Transportation and Trade, placing first in export intensity and second in export growth. The report also ranks Louisiana third in per capita income growth.
- According to the U.S. Census Bureau's Foreign Trade Division, for the seven years ending in 2014 (latest available data), Louisiana's export growth (114 percent) nearly tripled the growth of U.S. exports (41 percent). Louisiana's exports totaled almost \$65 billion in 2014, ranking the state No. 6 in the country for exports.
- Since January 2008, Louisiana ranks No. 1 in the U.S. for attracting the most Foreign Direct Investment per capita, according to fDI Intelligence.
- Net Loans and Leases of Louisiana's 133 FDIC-insured institutions were up 13.1 percent from September 2014 to September 2015, compared to the nation's growth of 6.1 percent. Total Assets of Louisiana's 133 FDIC-insured institutions were up 10.6 percent from September 2014 to September 2015, compared to the nation's growth of 2.9 percent. Total Bank Equity Capital for Louisiana's 133 FDIC-insured institutions rose 13.7 percent from September 2014 to September 2015, compared to the nation's growth of 4.2 percent.
- Per capita income in our state has grown by \$6,173 (17 percent) during the past seven years and is at its highest level in more than 80 years.

Louisiana advances in the national rankings

Louisiana gained recognition in 2015 as one of the top places in the U.S. for new facilities, relocations and expansions of existing facilities. In addition to placing among the Top 10 states in

five national business climate rankings, Louisiana continues to be recognized for a number of its specific efforts to improve the state's business environment by numerous publications.

- Since 2008, Louisiana's overall ranking in every major national ranking of state business climates has improved, including those published by *Area Development*, the Beacon Hill Institute, *Business Facilities*, *Chief Executive*, CNBC, Development Counsellors International (DCI), *Forbes*, Pollina Corporate Real Estate and *Site Selection*.
- Five national business climate rankings (*Area Development*, *Business Facilities*, *Site Selection*, *Chief Executive* and DCI) now place Louisiana among the overall Top 10 states in the U.S. for business.
- *Business Facilities* magazine named Louisiana the No. 3 business climate in the U.S. In addition, LED FastStart[®] – Louisiana's customized workforce development program – earned the No. 1 ranking for state workforce programs from *Business Facilities* for an unprecedented sixth year in a row.
- *Site Selection* ranked Louisiana's business climate No. 4 in the nation in 2015, the state's sixth consecutive year in the Top 10.
- Louisiana ranked No. 8 overall in *Area Development* magazine's 2015 Top States for Doing Business, the state's fifth consecutive showing among the Top 10 states. *Area Development* also recognized the state as No. 2 for both economic development incentives and for its state workforce development program; No. 3 for both cooperative state government and speed of permitting; and No. 4 for both its favorable regulatory environment and for access to capital and project funding.
- Louisiana ranked No. 7 in *Chief Executive* magazine's 2015 Best and Worst States for Business, in which hundreds of the nation's top business leaders ranked states on business climate factors, such as taxes and workforce quality, and selected the best and worst states for business overall. Louisiana achieved its highest-ever position in the ranking this year. Since January 2008, Louisiana has improved a national-best 40 spots in the *Chief Executive* survey.
- Based on a national survey of 356 corporate executives and site selection consultants conducted in 2014 (latest available ranking), the national location marketing firm Development Counsellors International ranked Louisiana's business climate No. 10 in the U.S. – a gain of 20 spots since 2011 – while also ranking LED No. 2 in the U.S. for best-performing state economic development agency.
- In its 2015 analysis of state economic development project announcements, *Southern Business & Development* ranked Louisiana No. 1 among Southern states for attracting the most significant capital investment and job-creation projects per million residents. Louisiana, which has ranked No. 1 in the South for six straight years in the points-per-million category, has earned State or Co-State of the Year honors from *Southern Business and Development* in five of the past seven years.
- In its 2014 ranking of the performance of state economic development agencies, *Site Selection* magazine ranked LED the No. 2 best-performing state economic development agency in the nation. This represents the sixth consecutive year in which LED has ranked among the Top 10 best-performing state economic development agencies in the nation.

Louisiana cities and regions earn recognition

As Louisiana climbs the national business climate and economic rankings, its cities and regions also are commanding positive national attention. For example:

- **Multiple Regions.** According to the U.S. Department of Commerce, New Orleans and Baton Rouge exported a combined \$42.4 billion in products and commodities to other countries last year, ranking them among the nation's trade leaders.
- **Acadiana Region.** According to a report by the Open Technology Institute, Lafayette tied for first place globally with seven other cities around the world as a Speed Leader city offering the fastest home broadband Internet. Lafayette has been included among eight elite retirement destinations in tourist areas by *Where to Retire* magazine.
- **Bayou Region.** In its 2015 Small Market of the Year competition, *Southern Business and Development* magazine awarded the Houma-Thibodaux MSA with an honorable mention as one of the top small markets in the nation.
- **Capital Region.** SelfStorage.com ranked Baton Rouge No. 5 for air quality improvements among America's 100 largest metro areas. Investopedia.com listed Baton Rouge among eight "top under-the-radar tech hubs for investing." According to the Lundberg survey, Baton Rouge has the lowest gasoline prices in the country. With 33 recreation and senior center facilities, Baton Rouge leads the nation's 100 largest cities for such centers per every 20,000 residents, according to The Trust for Public Land. CNN Money ranked Baton Rouge among the Top 10 U.S. cities for millennial-age homebuyers.
- **Central Region.** Niche.com ranks four public high schools in Central Louisiana – Avoyelles Public Charter School, Anacoco High School, Hicks High School and Evans High School – among Louisiana's Top 50 public high schools. Niche.com bases its report on statistics about more than 100,000 public and private schools and districts across the country and more than 27 million opinions from 300,000 students and parents.
- **Northeast Louisiana.** Data science group GoodCall ranked Monroe No. 12 among the best U.S. cities for women to launch a business. The Council for Community and Economic Research ranked Monroe's cost of living No. 3 in Louisiana (behind Shreveport and Hammond), including housing 9 percent below the U.S. average. CollegeRanker.com placed Monroe among the Top 50 U.S. college towns, ahead of Boulder, Colorado; Williamsburg, Virginia; and Berkeley, California.
- **Northwest Louisiana.** WalletHub ranked Shreveport No. 1 in the nation as the best place to start a business. Business Insider ranked Louisiana Tech No. 8 in its 50 Most Underrated Colleges in America. The National Security Agency and U.S. Department of Homeland Security designated Louisiana Tech a National Center of Academic Excellence in Cyber Defense Education. CNN Money ranked Shreveport among the Top 10 U.S. cities for millennial-age homebuyers. *Southern Business and Development* awarded Shreveport an honorable mention as a top U.S. mid-market of the year.
- **Southeast Louisiana.** SmartAsset.com ranked New Orleans No. 7 in the nation for women in the tech industry. *Travel + Leisure* ranked New Orleans the No. 2 best travel city in the U.S. and Canada. The New Orleans metro area achieved double-digit export growth, ranking No. 8 in the U.S. with \$34.9 billion in merchandise, according to the U.S. Department of Commerce. SelfStorage.com ranked New Orleans No. 4 among America's 100 largest metro areas for

improved air quality. SmartAsset.com ranked New Orleans as the No. 1 city in the U.S. for creative professionals.

- **Southwest Louisiana.** From April 2014 to April 2015, Lake Charles experienced the largest metro employment growth rate in the nation at 7.8 percent. CouponsDaily.com ranked Lake Charles as the No. 9 most affordable city in the U.S. for retirees. *Southern Business & Development* awarded its 2015 Small Market of the Year to Lake Charles, based on economic development performance in metros with a population below 250,000.

Louisiana attracts significant job, investment growth

Dozens of companies contributed to Louisiana's growing economy in 2015, committing thousands of new jobs and billions in new capital investment.

- Working with its local and regional partners, LED secured 43 major project wins in 2015, including 19 expansion or retention projects and 24 new projects. The wins occurred in Louisiana's traditional industries, such as petrochemical and manufacturing projects, as well as new growth industries, such as digital media and software development, along with international commerce projects.
- Together, these projects are projected to retain more than 6,000 jobs and create about 7,000 new direct jobs and over 18,000 new indirect jobs, for a total of more than 25,000 new jobs, as well as more than \$19 billion in new capital investment.
- As these projects are executed, they will result in hundreds of millions of dollars in new sales for Louisiana small businesses.
- The totals above exclude the direct support LED provided to thousands of Louisiana small businesses in 2015, including more than 2,533 small businesses served by LED's Small Business Services team and nearly 10,925 small businesses and individuals served by the Louisiana Small Business Development Center network, or LSBDC, through sustained funding support from LED.
- From Jan. 1 through Nov. 30, 2015, LED and LSBDC efforts generated 1,472 new jobs, retained 947 jobs and helped launch 175 new businesses representing \$51 million in debt and equity investment for Louisiana's small business sector. These services also generated an estimated increase in sales of more than \$35.4 million.
- From Jan. 1 through Nov. 30, 2015, LED completed its inaugural CEO Roundtable with 13 companies in the Southeast Region and launched new CEO Roundtables in the Southeast, Capital and Northwest regions serving 41 additional companies. LED also provided Economic Gardening Initiative assistance to 43 companies throughout Louisiana.
- In 2015, LED's Office of Entertainment Industry Development oversaw continued motion picture production in Louisiana, with film companies submitting audited expenditures exceeding \$850 million, a record amount. 2015 saw the release of *Jurassic World*, the third-highest-grossing film in history. Along with *Pitch Perfect 2*, *Terminator: Genesis*, *NCIS: New Orleans*, *Scream Queens* and *Into the Badlands*, 2015 will be remembered as a signature year for Louisiana film and television.
- In other Louisiana Entertainment programs managed by LED, video game developer inXile

Entertainment, digital product agency Smashing Boxes (both in New Orleans), and software solutions firm Stixis (Baton Rouge) joined dozens of participants in the state's Digital Media program during 2015.

- LED's Live Performance program saw the attraction of the highest-grossing tour in North America during 2015 (Taylor Swift) to Shreveport and Baton Rouge, and the four-month rehearsal of Cirque du Soleil's *Toruk* (based on James Cameron's *Avatar*) in Shreveport, followed by tour stops to Lafayette and New Orleans. The Orpheum Theater reopened in New Orleans in 2015, growing the number of performing arts facilities that have opened in Louisiana with the assistance of the Live Performance infrastructure program to more than 20.
- Renowned recording artists attracted to Louisiana in 2015 by the state's Sound Recording incentive included David Crosby, Terrence Blanchard, and Beach House.

Louisiana supports existing businesses

LED's No. 1 priority in 2015 continued to be its business retention and expansion efforts. This focus and the performance of LED's Business Expansion and Retention Group contributed to a diverse range of Louisiana companies committing to stay and grow in Louisiana during 2015. Some selected examples follow:

- Formosa Petrochemical Corp., with more than three decades of chemical manufacturing experience in Louisiana, announced a potential \$9.4 billion petrochemical complex with two ethane crackers and a host of chemical derivatives plants in St. James Parish. The project would yield 1,200 new direct jobs, with an average annual salary of \$84,500, and an estimated 8,000 new indirect jobs.
- Shell Chemical announced a \$717 million alpha olefins expansion at its 800-acre Ascension Parish site, with 650 retained jobs and more than 110 new direct and indirect jobs to result. The project to boost intermediate chemicals production will begin construction in early 2016.
- In St. Charles Parish, Denka Performance Elastomer announced the creation of a new corporate headquarters after the Japanese company acquired the Neoprene synthetic rubber business of DuPont Performance Polymers. The project will retain 235 manufacturing jobs while creating 16 new corporate headquarters jobs and resulting in an estimated 81 new indirect jobs.
- Plastipak Packaging, a Procter & Gamble supplier, announced a \$9 million expansion of its Pineville manufacturing facility, where the company will retain 205 jobs and create 20 new direct jobs, with an estimated 38 new indirect jobs resulting from the project. Three new production lines will manufacture high-performance plastic packaging.
- Monsanto announced a potential \$1 billion expansion of its Luling manufacturing plant, where the company would expand crop protection product capacity in support of its Roundup Ready[®] Xtend Crop System. In addition to retaining 645 jobs, Monsanto would create 95 new direct jobs with an average annual salary of \$76,500, and LED estimates 450 new indirect jobs would result.
- Netchex announced it will establish a new corporate headquarters facility in St. Tammany Parish, where the employer services provider will retain 86 Louisiana jobs and create 240 new direct jobs over the next decade, with an estimated 120 new indirect jobs resulting.

- In Iberville Parish, Shintech announced a \$1.4 billion expansion to supply its plastics manufacturing facilities with new ethylene production. In retaining 335 existing jobs, with another 350 contract workers at its sites, Shintech will create 100 new direct jobs in a project that will result in an estimated 658 new indirect jobs. With the expansion project, Shintech's capital investment in Louisiana to date will climb to \$4.7 billion.
- Partnering with Axiall in a new ethane cracker project in Lake Charles, Lotte Chemical of Korea also announced it will invest in a new monoethylene glycol plant beside the ethane cracker, leading to a combined \$3 billion capital investment, 215 new direct jobs, an estimated 1,892 new indirect jobs and approximately 2,000 construction jobs in the combined projects.

Louisiana cultivates international commerce opportunities

Louisiana expanded its international commerce outreach in 2015, building on global leadership in energy and shipping infrastructure to support import-export activities in Louisiana and to attract more than a dozen new FDI projects in markets ranging from energy technology to cryogenic insulation and laser engraving, as well as the major petrochemical projects by Formosa, Shintech, Lotte Chemical, Denka Performance Elastomer and Shell Chemical. Highlights include:

- Swiss travel company Viking Cruises announced its first North American river cruises with selection of New Orleans as its homeport. The company plans to create 416 new direct jobs, with the project resulting in an estimated 368 new indirect jobs. Three itinerary stops in Louisiana will join destinations as far north as St. Paul, Minnesota.
- Investimus Foris, affiliated with Lithuania's ICOR industrial group, announced it will make a \$265 million capital investment in an idle Grant Parish biofuels refinery. The company will convert the Central Louisiana property to production of ammonia, with the project creating 85 new direct jobs (average annual salary of \$55,000) and resulting in an estimated 584 new permanent indirect jobs, along with 560 construction jobs.
- Indorama Ventures, based in Thailand, will make a \$175 million capital investment to restart an idle ethane cracker in Carylss, near Lake Charles. The project will create 125 new indirect jobs, and LED estimates an estimated 481 new indirect jobs will result, along with 600 construction jobs at peak building activity.
- Kongsberg Maritime, a Norwegian company, will make a \$17 million capital investment in a new technology office and training facility in St. Charles Parish to better serve its oil and gas industry customers. The project is projected to create 103 new direct jobs and result in an estimated 133 new indirect jobs.
- Based in Korea, Dongsung FineTec announced it will create 250 new direct jobs after a \$5 million renovation of an existing manufacturing facility at the Port of Lake Charles. The company will produce cryogenic insulation for the liquefied natural gas industry and other industrial sites around the world. An estimated 492 new indirect jobs will result from the project.
- Cajo Technologies, based in Finland, established a New Orleans manufacturing site to produce laser-based machinery that provides permanent markings and color patterns on almost any material. The project is projected to create 40 new direct jobs (\$55,000 average annual salary) and result in an estimated 47 new indirect jobs.

- Canadian manufacturer First Bauxite announced a proposed \$200 million bauxite processing plant in St. John the Baptist Parish. The company would create 100 new direct jobs (\$70,000 average annual salary), and the project would result in 117 new indirect jobs. The refined product will enhance oil and gas recovery.
- Based in Calgary, Alberta, Insitu Data Solutions Inc. selected Lafayette for a new manufacturing and service center that will deliver new data acquisition technology at well sites for oil and gas customers. The project is projected to create 17 new direct jobs and result in an estimated 22 new indirect jobs.

Louisiana expands technology, energy and manufacturing investments

Buoyed by its attraction of an 800-job IBM technology center to Baton Rouge in 2013, Louisiana successfully recruited new software and IT investments during 2015, including a second IBM facility, while strengthening its manufacturing and energy sectors with major business investment and job creation projects. Some selected examples follow:

- IBM announced it would anchor a new 88-acre, CenturyLink-affiliated technology park in Monroe. The IBM Application Development and Innovation Center will create 400 new direct jobs and result in an estimated 406 new indirect jobs as IBM provides software technology services to clients across the U.S.
- EPIC Piping will develop a 560-job advanced pipe fabrication facility and headquarters campus in Livingston Parish with a \$45.3 million capital investment. In addition to the direct jobs (average annual salary of \$56,600), the project will result in an estimated 732 new indirect jobs, along with 365 construction jobs.
- Live Oak LNG announced it will make a \$2 billion capital investment in a new LNG export terminal on the Calcasieu Ship Channel near Lake Charles. The project would create 100 new direct jobs (average annual salary of \$75,000) and result in an estimated 385 new indirect jobs, along with 1,000 construction jobs.
- Hazelwood Energy Services will make a \$400 million capital investment in a St. Landry Parish complex that will store and blend crude oil and provide pre-refining services to oil refineries throughout the Gulf of Mexico region. The project near Eunice will create 123 new direct jobs and result in an estimated 265 new indirect jobs.
- In St. John the Baptist Parish, Pin Oak Terminals will make a \$600 million capital investment in a petroleum liquids storage terminal. The project will create 70 new jobs (average annual salary of \$60,000) and result in an estimated 81 new indirect jobs, along with 250 construction jobs.
- Monster Moto selected Ruston for a headquarters and manufacturing facility that will assemble youth-market products, including minibikes, go-carts and other vehicles. In moving its headquarters from Dallas, the company projects that it will create 287 new direct jobs and make a minimum \$4 million capital investment in the public-private development of its 100,000-square-foot facility. An estimated 292 new indirect jobs would result from the project.
- Metalplate Galvanizing announced a \$9.75 million capital investment to develop a 50,000-square-foot metal galvanizing plant in Jennings. The project will create 104 new direct jobs

(average annual salary of \$46,300) and result in an estimated 240 new indirect jobs.

- In New Orleans, Smashing Boxes announced it would establish a digital product agency focused on products and services for Web, mobile and connected devices. The North Carolina-based firm projects that it will create 85 new direct jobs (average annual salary of \$85,000) and the project will result in an estimated 86 new indirect jobs.
- California-based inXile Entertainment selected New Orleans for a new video game development studio that will create 50 new direct jobs (average annual salary of \$75,000). An estimated 64 new indirect jobs will result from the studio, which will develop interactive entertainment software for all popular game systems.
- Brown & Root established its new corporate headquarters in Baton Rouge, with 50 new direct jobs averaging \$192,000 per year. The headquarters will oversee global projects and 6,000 Brown & Root employees, including 325 Louisiana employees of newly acquired Wink Engineering. The company expects to create another 550 industrial jobs in Louisiana over the next decade.

The year in review: Leveraging Louisiana's economic momentum

Louisiana extended its strong economic performance in 2015, securing projects that are projected to add more than 25,000 new jobs and more than \$19 billion in new capital investment, and cultivating compelling new projects in international commerce, energy and technology.

LED pursued initiatives in 2015 that enhanced Louisiana's economic competitiveness; retained and strengthened Louisiana's existing economic-driver firms; supported Louisiana's small businesses; cultivated attractive development sites; offered customized, world-class workforce solutions and increased industrial craft-labor training; pursued more FDI projects to diversify the state's economy; and recruited new growth industries to Louisiana.

A renewed commitment to help existing employers expand and to enhance the state's business climate resulted in additional project wins from investors who recognize Louisiana as the new frontier for business opportunity.

Appendix

Introduction

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

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

For each business incentive and assistance program, a brief description of the program’s objective and calendar year 2015 performance information are included. The performance information highlights 2015 activity levels and illustrates the impact being delivered through the various programs.

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

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

Small Business Development Centers

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

Businesses Receiving Counseling by SBDCs:	2,319
Individuals Trained by SBDCs:	6,192
Business Starts by SBDC Clients:	186
Anticipated Jobs Created by SBDC Clients:	1,044
Loans Received by Small Businesses Assisted at SBDCs (\$million):	59.7

Small and Emerging Business Development Program

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

Small Businesses Certified:	572
TAs Provided to Certified Businesses:	144

Hudson Initiative and Veteran's Initiative

The Hudson Initiative provides Louisiana small businesses meeting the criteria of small entrepreneurships with greater potential for access to state procurement and public contract opportunities. The Veteran's Initiative does the same thing for businesses that are at least 51% owned by Veterans and/or Service-Connected Disabled Veterans.

Small Entrepreneurships Certified:	853
Veteran Owned Businesses Certified:	193
Service-Connected Disabled Veteran Owned Businesses Certified:	63

Small Business Loan Program

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

New Projects:	7
Total Bank Loans to Businesses (\$million):	4.5
Anticipated New Direct Jobs:	69
Anticipated Retained Jobs:	56

Quality Jobs

The Quality Jobs (QJ) program is designed to encourage businesses in certain targeted industry sectors to locate and/or expand existing operations in Louisiana, and to create a minimum of five full-time jobs with salaries and medical benefits that meet established levels. The program provides a cash rebate to companies that create well-paid jobs and promote economic development. Provides up to 6% rebate on annual payroll expenses for up to ten years; and either a 4% sales/use tax rebate on capital expenditures or an investment tax credit equal to 1.5% of qualifying expenses. Act 126 of the 2015 Regular Legislative Session included temporary provisions to the program for projects filing advance notices on or after July 1, 2015. Projects with advance notices filed on or after July 1, 2015, will be approved for an annual payroll rebate payment at a rate of 5% or 6% (as applicable) multiplied by 80% of eligible payroll. Act 126 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018. Payroll rebates approved on and after July 1, 2018, will be calculated on 100% of payroll; however, annual payroll rebate claims that are due before July 1, 2018, but not timely filed, are subject to reduction.

New Projects:	32
Anticipated New Direct Jobs:	2,545
Anticipated Construction Jobs:	7,387
Anticipated Associated Capital Investment (\$million):	13,900.3

Enterprise Zone

The Enterprise Zone (EZ) program is designed to encourage businesses in certain targeted industry sectors to locate and/or expand existing operations in or near economically distressed areas, and to create a minimum of five full-time jobs filled by residents in or near the economically distressed areas. The program provides Louisiana income and franchise tax credits to a business hiring at least 35% of net new jobs from one of four targeted groups. EZs are areas with high unemployment, low income or a high percentage of residents receiving some form of public assistance. A business must create permanent net new jobs at the EZ site. The program provides a \$2,500 tax credit for each certified net new job created; and either a 4% sales/use tax rebate on capital expenditures or income and franchise tax credits up to 1.5% of investment. Act 423 of the 2014 Regular Legislative Session excluded part-time employees and limited retail establishment participation to only establishments with less than 100 employees statewide and all grocery stores and pharmacies within enterprise zones. Acts 114 & 126 of the 2015 Regular Legislative Session disallowed retail businesses with a NAICS code of 44, 45, or 722 to participate in the program unless it filed an advance notification prior to July 1, 2015. However, if such an eligible business did not enter into an EZ contract prior to July 1, 2015, it cannot claim EZ incentives until July 1, 2016.

New Projects:	103
Anticipated New Direct Jobs:	3,044
Anticipated Construction Jobs:	10,474
Anticipated Associated Capital Investment (\$million):	2,697.4

Restoration Tax Abatement

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

New Projects:	58
Anticipated New Direct Jobs:	769
Anticipated Construction Jobs:	3,471
Anticipated Associated Capital Investment (\$million):	289.0

Industrial Tax Exemption

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

New Projects:	769
Anticipated New Direct Jobs:	3,086
Anticipated Construction Jobs:	58,233
Anticipated Associated Capital Investment (\$billion):	20.1

Retention & Modernization Tax Credit Program

The Modernization Tax Credit program provides a 5% refundable state tax credit for manufacturers making capital investments to modernize or upgrade existing facilities in Louisiana. The program provides a one-time 5% refundable state tax credit on capital expenditures taken over a five-year period (1% per year for five years) for manufacturers making qualified capital investments of at least \$5 million. To qualify for the program, a company must meet one of the following criteria: (1) Modernization helps improve entire efficiency of the entire facility or specific unit by greater than 10%, or (2) The facility is in

competition for capital expenditures within a company's established, competitive capital expenditure budget plan. There is a \$10 million annual statewide cap on the program in credits awarded to projects. Any unused credits can be rolled into the next calendar year. Projects determined to have the highest economic impact by Louisiana Economic Development are awarded pre-certification credits on a rolling basis. Pre-certification is required prior to final award of credits, which are awarded only when the project has been placed in service. Only projects placed in operation on or after July 1, 2011, can qualify for the program. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The statewide cap was reduced to \$7.2 million annually and the state tax credits were reduced to 3.6% of qualified expensed over a five-year period to be issued in five equal annual amounts at the allocated rate (irrespective of the date issued). Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

New Projects:	16
Amount of Tax Incentives Awarded (\$million):	38.1
Anticipated New Direct Jobs:	882
Anticipated Retained Jobs:	5,601
Anticipated Associated Capital Investment (\$million):	5,852.7
Anticipated New Payroll (\$million):	63.9
Anticipated Retained Payroll (\$million):	505.2

Motion Picture Investor Tax Credit

The Motion Picture Investor Tax Credit is designed to encourage feature film and television production in the state. The program provides a transferrable 30% tax credit on qualified motion picture expenditures made within the state. Payroll expenditures for Louisiana residents qualify for an additional 10% tax credit. Act 134 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. A cap was implemented to limit all claims to \$180 million for the next three fiscal years (FY 16, FY 17 & FY 18) and a per-project cap at \$30 million annually (also for the next three fiscal years). The per-person payroll of which can earn credits on any project is limited to \$3 million per person. Additional provisions were added to incentivize the production of Louisiana business owned screenplays (additional 15%); an additional 15% for the use of Louisiana music and certain marketing expenditures now qualify for the base rate of 30%.

Number of Applications Received:	115
Number of Applications Receiving Final Certification:*	105
Certified Spending in the State (\$million):	864.1
Amount of Tax Credits Certified (\$million):	268.5

*May include applications received in other reporting periods and may not include some applications received in 2015.

Digital Interactive Media and Software Tax Credit

The Digital Interactive Media and Software Tax Credit program is designed to encourage entertainment technology development in the state and to develop and support a highly skilled, creative, technology-driven workforce. It targets gaming, simulation training, web applications and the next generation of distributed entertainment. The program provides a tax credit of up to 25% of qualified production expenditures for state-certified digital interactive productions in Louisiana and up to 35% tax credit for payroll expenditures for Louisiana residents. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The tax credit for qualified production expenditures was reduced to 18% and the tax credit for payroll expenditures was reduced to 25.2%. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

Number of Applications Received:	206
Number of Applications Receiving Final Certification:*	101
Certified Spending in the State (\$million):	42.4
Amount of Tax Credits Certified (\$million):	14.6

*May include applications received in other reporting periods and may not include some applications received in 2015.

Sound Recording Investor Tax Credit

The Sound Recording Investor Tax Credit program encourages investment in musical recording production in the state. The program provides a 25% refundable tax credit for qualified Louisiana production expenditures. The program is subject to a cap of \$3 million in tax credits each calendar year. Projects qualifying for the tax credits after the annual cap has been reached are automatically placed in the queue to receive tax credits in the next calendar year. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The refundable tax credit was reduced to 18% and the program cap was reduced to \$2.16 million annually. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

Number of applications received:	17
Number of applications receiving final certification:*	16
Certified spending in the state (\$million):	1.5
Amount of tax credits certified (\$million):	0.4

*May include applications received in other reporting periods and may not include some applications received in 2014.

Musical and Theatrical Production Tax Credit

The Musical and Theatrical Production Tax Credit program encourages the growth and expansion of the infrastructure and production in the concert and theatrical industries. The program offers a fully transferable tax credit that can be sold or applied against Louisiana tax liability. Tax credits received for infrastructure cannot exceed \$10 million per project and are

also subject to a \$60 million annual cap. There is no annual cap on the production credits. The tax credit value increases with higher levels of Louisiana expenditures and jobs. The program also incentivizes and provides support for collaboration with Louisiana’s top educational institutions. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. For projects initially certified on or after 7/1/15:

The tax credit rate is reduced to 7.2% for a total base investment greater than \$100,000 and less than \$300,000; 14.4% for a total base investment greater than \$300,000 and less than \$1 million; and 18% for a total base investment greater than \$1 million.

For higher education infrastructure projects initially certified on or after 7/1/15:

The per project cap is reduced to \$7.2 million.

The aggregate higher education infrastructure cap is reduced to \$43.2 million.

For infrastructure projects and productions initially certified on or after 7/1/15:

The Louisiana payroll credit rate is reduced to 7.2%.

For productions initially certified on or after 7/1/15:

The student payroll credit rate is reduced to .072%.

Number of applications received:	6
Number of applications receiving final certification:*	9
Certified spending in the state (\$million):	14.9
Amount of tax credits certified (\$million):	3.8

*May include applications received in other reporting periods and may not include some applications received in 2014.

Research & Development Tax Credit

The Research and Development Tax Credit program encourages businesses with operating facilities in Louisiana to establish or continue research and development activities within the state. Companies claiming the federal income tax credit for research activities can claim against state income and corporation franchise taxes. The purpose of the research and development tax credit is to encourage new and continuing research and development activities within Louisiana. The current R&D credit is structured as a tiered system where companies of any size can receive a refundable tax credit for Louisiana qualified research expenditures. Act 133 of the 2015 Regular Legislative Session made any credits claimed under this program non-refundable for credits claimed on returns filed on or after July 1, 2015.

Credits allowed for expenditures made in 2009 and thereafter:

- Eight percent of the state’s apportioned share of the taxpayer’s expenditures for increasing research activities, if the taxpayer is an entity that employs 100 or more Louisiana residents.
- Twenty percent of the state’s apportioned share of the taxpayer’s expenditures for increasing research activities, if the taxpayer is an entity that employs 50 to 99 Louisiana residents.

- Forty percent of the state’s apportioned share of the taxpayer’s expenditures for research activities, if the taxpayer is an entity that employs less than 50 Louisiana residents.
- Twenty five percent of the state’s apportioned share of the federal research credit claimed for research expenditures in the state if the taxpayer claims the alternative incremental tax credit under 26 U.S.C. §41.

Number of applications approved:	272
Certified R&D spending in the state (\$million):	365.7
Total Credits Certified (\$million):	41.1

Technology Commercialization Tax Credit & Jobs Program

The Technology Commercialization Credit and Jobs program provides tax credits for companies that invest in the commercialization of Louisiana technology. Qualifying research centers that develop Louisiana technology to be commercialized may be granted a refundable tax credit based on new jobs created. The technology must be created by a Louisiana business and researched by a Louisiana university or college. Eligible entities can also receive jobs tax credits of up to 40% of the investment amount and 6% of gross payroll for all new jobs created. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The investment tax credit was reduced to 28.8% and gross payroll credit was reduced to 4.32%. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

New Projects:	6
Total Credits Certified (\$million):	0.2
Approved Commercial Costs (\$million):	0.5

Angel Investor Program

The Angel Investor Tax Credit (AITC) Program encourages accredited investors to invest in early stage, small wealth-creating Louisiana businesses that seek startup and expansion capital. It provides for a 35% tax credit on investments by accredited investors who invest up to \$1 million per year for up to \$2 million total, in businesses certified by Louisiana Economic Development as Louisiana Entrepreneurial Businesses. The program has an annual cap of \$5 million. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The tax credit was reduced to 25.2% and caps were revised. The program annual cap was reduced to \$3.6 million, and a cap was added for investors. An investor may be issued credits on investment of up to \$720,000 per business per calendar year and \$1.44 million total per business. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

Number of projects:	21
Anticipated Retained Jobs:	151
Anticipated New Jobs:	30
Anticipated Payroll (\$million);	5.4
Anticipated Annual Gross Revenues (\$million):	23.6
AITC's Issued (\$million):	4.3

Louisiana Seed Capital Program

The Louisiana Economic Development Corporation (LEDC) Louisiana Seed Capital program was established to promote economic development and encourage the formation of Louisiana-based venture capital funds. The State of Louisiana was allocated \$13.1 million by the U.S. Department of Treasury's State Small Business Credit Initiative (SSBCI) to invest in Louisiana businesses through LEDC's Seed Capital and Small Business Loan and Guaranty Programs. Specifically, the Seed Capital Program received \$5.1 million in funding. Investments made were based on the availability of funds. LEDC does not make direct investments into any small business. LEDC follows an indirect, fund of funds, investment policy whereby it invests in venture capital firms which subsequently make direct investments into Louisiana-based small businesses. The general partners of the venture capital firms, or fund managers, are private sector investors who pool funds from a number of investors known as limited partners. These firms also identify and invest in promising businesses, managing the investment until an exit from the investment is achieved. In this manner, LEDC is able to leverage public funds with private capital to spur economic growth through the creation and cultivation of Louisiana-based businesses. The funds are matched on one state dollar for each one and a half private capital dollars, not to exceed a state investment of \$2 million.

New Projects:	2
State Investment (\$million):	1
Funds Leveraged (\$million):	0.7

LED FastStart® Program

LED FastStart provides customized recruitment, screening and training to new and expanding, eligible companies. Recognized for its innovation, effectiveness and efficiency since its launch in 2008, LED FastStart quickly established a presence among workforce solutions programs nationwide and has been named the number one workforce solution in the country six years in a row (2010-2015). Based on a company's immediate and long-term workforce needs, the LED FastStart team crafts unique programs that ensure workers are prepared on day one and beyond. LED FastStart's innovative, customized programs are available to companies that meet eligibility requirements and are aligned with Louisiana's economic development targets, including digital media, headquarters and business operations, service industries, advanced and traditional manufacturing, warehouse and distribution, and research and development. Service

industries, headquarters and business operations, and warehouse and distribution companies must also have a majority of sales out of state. To qualify, a company must first commit to creating a net of at least 15 new, permanent manufacturing jobs, or a net of at least 50 new, permanent service-related jobs. Each request is evaluated prior to project commencement to ensure all eligibility requirements are met.

New Projects:	20
Employees Trained:*	4,099
Anticipated New Direct Jobs:	4,978
Anticipated Retained Jobs:	983
Anticipated Associated Capital Investment (\$million):	4,479.9

*Data for the period of July 1, 2015 through December 31, 2015 is not verified because of a change in tracking systems and incomplete data migration. This figure may be updated once the new system is fully in place.

Rapid Response Fund

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

New Projects:	5
Award Amount (\$million):	15.1
Anticipated Retained Jobs:	52
Anticipated New Direct Jobs:	702
Anticipated New Indirect Jobs:	901
Anticipated New Total Jobs (Direct and Indirect):	1,603
Anticipated Associated Capital Investment (\$million):	36.7
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	4.2

Economic Development Award Program/Economic Development Loan Program

The Economic Development Award Program (EDAP) is designed to assist in the development of publicly owned infrastructure for industrial or business development projects that promote targeted industry economic development and that require state assistance for basic

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

New Projects:	6
Award Amount (\$million):	5.2
Anticipated Retained Jobs:	910
Anticipated New Direct Jobs:	807
Anticipated New Indirect Jobs:	1,458
Anticipated New Total Jobs (Direct and Indirect):	2,265
Anticipated Total Capital Investment (\$million):	174.6
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	7.1

Competitive Projects Payroll Incentive Program

Created in 2012, the Competitive Projects Payroll Incentive Program enables Louisiana Economic Development to offer an incentive up to 15 % of payroll to secure new jobs in target sectors for highly competitive projects. Additionally, the program provides either a 4% sales/use tax rebate on capital expenditures or a project facility expense rebate equal to 1.5% of qualified capital expenditures. This program is only offered for projects that yield a positive return on investment for the state, and the level of the rebate is determined by this return. Act 126 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The payroll credit was reduced to 12% and project facility rebate was reduced to 1.2% of qualified capital expenditure on projects for which an invitation to participate is extended by LED between July 1, 2015, through June 30, 2018. Act 126 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

New Projects:	1
Anticipated New Direct Jobs:	287
Anticipated Indirect Jobs:	292
Anticipated Associated Capital Investment (\$million):	4

EXISTING PROGRAMS WITH NO NEW ACTIVITY IN 2015

The following existing programs had no new activity in 2015, only renewals or continuations of commitments from prior years.

Small Business Bonding Assistance Program

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

Industry Assistance Program

The Industry Assistance Program provides a tax exemption when manufacturers and their contractors give preference and priority to Louisiana manufacturers or Louisiana suppliers, engineers, contractors and labor, except where not reasonably possible to do so without added expense or substantial inconvenience. The manufacturer must commit and maintain current employment and a significant investment to continue doing business in Louisiana. Taxes or portions of taxes to be exempt can include the following: the corporation franchise tax, state sales and use taxes on goods necessary for production, state sales and use taxes on machinery and equipment, the corporation income tax, and any other taxes imposed directly by the state on the applicant.

Tax Equalization Program

The Tax Equalization Program equalizes the overall taxes between a Louisiana site and a competing site in another state to encourage businesses to locate or expand in Louisiana. Eligibility includes new and expanding manufacturing establishments, headquarters, warehousing, and distribution facilities.

Micro Loan Program

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

Urban Revitalization Tax Credit Program

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

Atchafalaya Natural Heritage Area Development Zone Tax Credit Program

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

Ports Tax Credit Program

The Ports Tax Credit program includes an investor infrastructure credit for 100% of capital costs incurred by private investment of \$5 MM or more at a Louisiana public port. The credit is taken at 5% a year over 20 years. It also includes an export-import cargo credit of \$5 per ton for container and break bulk cargo that emanates from or is destined to a Louisiana manufacturer, warehouse, distributor, or other value added enterprise that is destined to or emanates from an international destination. Cargo must pass through a Louisiana public port to qualify for the credit. Act 125 of the 2015 Regular Legislative Session included several temporary provisions to the program that became effective July 1, 2015. The private investment credit was reduced to 72% of total capital costs. The credit able to be taken in any given year was reduced to \$4.5 million and the cargo credit was reduced to \$3.60 per ton. Annual caps were placed on the program at \$4.5 million, with a per-project cap of \$1.8 million. Act 125 includes a three-year sunset provision requiring the changes to be eliminated on June 30, 2018 and original rates restored.

Corporate Tax Apportionment Program

Louisiana has historically only allowed manufacturers and merchandisers to qualify for single-sales factor apportionment, which bases corporate income and franchise taxes solely on the portion of sales that occur within the state. However, states across the country are increasingly offering that opportunity to other companies. This program extends the single-sales factor apportionment to highly competitive business development projects in other target sectors including corporate headquarters, logistics/warehousing, data centers, clean technology, destination healthcare, R&D operations, renewable energy, and digital media and software development. This option will only be offered for projects that yield a positive return on investment for the state.

Corporate Headquarters Relocation Program

This program enables Louisiana Economic Development to provide a 25% rebate, spread over five years, on relocation expenses for headquarters that create at least 25 high-paying jobs. The program assists in efforts to attract some of the most competitive and most attractive of all projects in the site-selection world: corporate headquarters. Primary location of a company comes with significant economic output, well-compensated professional workforce and prestige. This option will only be offered for projects that yield a positive return on investment for the state.

Venture Capital Match & Co-Investment Program

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

Competitive Projects Tax Exemption Program

This program enables Louisiana Economic Development to provide a 10-year property tax abatement in selected parishes on qualifying capital investments of at least \$25 million in targeted non-manufacturing industry sectors. The abatement is for the ad valorem taxes in excess of \$10 million or 10% of the fair market value of the property, whichever is greater.

Mega-Project Development Fund

The Mega-Project Development Fund is used for immediate funding of all or a portion of economic development mega-projects to secure the creation or retention of jobs. The Fund can be used for projects that provide either 500 new direct jobs to the state or a minimum initial investment of \$500 million and that generate a substantial return on the investment (ROI) by the state as measured by projected tax revenues. The ROI assessment is performed based on

industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections. The Fund can also be used for projects for a military or federal installation which is important to the Louisiana economy and that may be subject to base realignment and closure.