

Selected Economic Highlights for 2011

Dec. 15, 2011

The Economic Year in Review: Since January 2008, Louisiana's employment performance has been significantly better than the South, and Louisiana has added jobs at a faster rate than the South and the U.S. since the official end of the national recession in June 2009. Louisiana's unemployment rate in 2011 remained well below the South and U.S., just as it has every month since early 2008.

Louisiana registered a record year for business development wins in 2011, securing game-changing projects that include Fortune 500 CenturyLink's headquarters expansion in Monroe; Gameloft's major game development studio in New Orleans; Ronpak's establishment of new manufacturing operations in Shreveport; multibillion-dollar expansions announced by Cheniere Energy and Sasol Ltd. in Southwest Louisiana; Schumacher Group's headquarters expansion in Lafayette; the Sundrop Fuels announcement of a biofuel refinery in Alexandria; and the Electronic Arts expansion of its global quality assurance center in Baton Rouge on the LSU campus. Louisiana announced dozens of company expansions or relocations in 2011, launching projects that are projected to create more than 20,500 new jobs, \$18 billion in new capital investment and \$55 million per year in new state tax revenue, along with hundreds of millions in new sales for small businesses across Louisiana.

Finally, a variety of national publications recognized Louisiana's remarkable economic development progress in 2011, ranking Louisiana "State of the Year," declaring Louisiana Economic Development as the best-performing state economic development agency in the U.S., and judging LED FastStart as the best state workforce training program in the U.S. Notably, Louisiana climbed to its highest ranking ever in every national ranking of state business climates, including multiple designations as a Top 10 business climate.

As the national economy seeks sustained growth in 2012, Louisiana will be well-positioned to secure a large share of new business investment projects in the U.S. Moreover, Louisiana's economy will experience significant job growth stemming from projects announced in 2008 through 2011. In the year ahead, business retention, small business development, recruitment of new growth industries, customized workforce solutions and cultivation of attractive development sites will remain top priorities for LED.

Louisiana outperforms the U.S. and the South

Since January 2008, Louisiana's job performance has exceeded that of nearly every other Southern state, and Louisiana has added jobs at a faster rate than the South and U.S. since the official end of the national recession in June 2009.

- Louisiana's nonfarm employment grew by 44,200 jobs from October 2010 to October 2011, marking the 13th consecutive month of year-over-year employment growth in our state. Over the past 12 months, Louisiana's job-growth rate more than doubled that of the South and the U.S.

- Louisiana's unemployment rate has remained well below the South and the U.S. every month since the beginning of the national recession. Louisiana's unemployment rate was 7.0 percent in October 2011, well below the 9.0 percent Southern average and 9.0 percent national average.
- The U.S. Census Bureau recently reported that Louisiana experienced its fourth consecutive year (2007-2010) of population in-migration, which largely was the result of the state's economic performance during that time period.
- The U.S. Census Bureau found that Louisiana's population grew by more than 168,600 from July 1, 2007 to July 1, 2010, a growth rate about 43 percent faster than the U.S. over that time period. This performance ranks Louisiana as the 14th fastest-growing state in the U.S. over the past three years, which can be attributed in large part to Louisiana's economic performance during the same time period.
- Since January 2008, the U.S. has shed 4.7 percent of its jobs and the South overall has seen employment decline by 4.3 percent. Louisiana's employment is actually up slightly during that same period of time.
- Louisiana's growth rate for the goods and services it produced in 2010 was the third-best rate in the nation, according to data from the U.S. Bureau of Economic Analysis.
- According to the Kauffman Index of Entrepreneurial Activity, Louisiana ranks among the top five states with the highest rate of entrepreneurial activity. The 2011 report showed that 460 out of 100,000 adults each month created a new business in Louisiana during 2010.
- In its 2011 economic outlook report, the American Legislative Exchange Council ranked Louisiana's economic outlook 15th out of 50 states.
- Louisiana's real estate markets have remained strong, especially in contrast to real estate markets in other Southern states and the U.S. According to CoreLogic, the percentage of outstanding mortgages that were foreclosed upon in Louisiana stood at 2.5 percent in July 2011, which was below the U.S. rate of 3.4 percent. Moreover, CoreLogic's Home Price Index data through June 2011 shows that the state's 12-month growth in housing prices was the 12th-highest among all states.
- The U.S. Chamber Enterprising States 2011 report ranked Louisiana as the No. 1 exporting state in the U.S., ranking in the Top 5 in all four export measures.
- FDIC data revealed Louisiana's 150 banks and thrifts reported an 8.8 percent *increase* in net loans and leases since the beginning of the national recession (through the third quarter of 2011), compared to the national *decline* of 7.3 percent. During the same period, assets of Louisiana's banks grew 21.2 percent versus a decline of 0.2 percent for the U.S.

Louisiana advances in the national rankings

Louisiana traditionally landed near the bottom of many significant national economic rankings, but this historical trend was reversed in the last four years. Louisiana has moved up in every national business

climate ranking since January 2008. By 2011, a growing number of publications indicated Louisiana is the most improved state for business in the U.S.

- Over the past few years, Louisiana has moved up significantly in every national ranking of state business climates, including those published by *Area Development*, Beacon Hill Institute, *Business Facilities*, *Chief Executive*, CNBC, *Forbes*, Pollina Corporate Real Estate and *Site Selection*.
- Louisiana now stands at its highest-ever position on every national ranking of state business climates. Three of those national rankings (*Area Development*, *Business Facilities* and *Site Selection*) now rank Louisiana among the Top 10 states in the U.S. for business.
- For the third straight year, *Southern Business & Development* magazine recognized Louisiana as State of the Year or Co-State of the Year in the South. In 2011, Louisiana stood alone after being named Co-State of the Year in 2009 and 2010 with Tennessee.
- *Business Facilities* ranked Louisiana No. 2 in the nation for Economic Growth Potential and No. 7 among U.S. states for Best Business Climate, both new highs for Louisiana.
- LED FastStart™ ranked as the nation's No. 1 state workforce training program in the *Business Facilities* 2011 rankings, the same as last year.
- *Area Development* magazine ranked Louisiana No. 6 in the U.S. in its 2011 ranking of Top States for Doing Business, a survey of leading site-selection consultants on which U.S. states are most attractive for business investment. Louisiana ranked No. 3 for states that are leading the economic recovery, No. 4 for states with the best workforce development programs, and No. 4 for states with the best overall business environment.
- In 2011, *Site Selection* ranked the Louisiana business climate No. 7 in the nation – the state's highest ranking ever by the magazine. The overall business climate ranking improved Louisiana's standing from No. 9 in 2010 and No. 25 in 2009.
- Pollina Corporate Real Estate ranked Louisiana's business climate No. 18, up 22 spots since 2008. Louisiana now stands at No. 2 in the U.S. (up from No. 10 in 2010) for incentives and economic development agency performance.
- Louisiana ranked No. 3 in the *Site Selection* Governor's Cup Awards with 347 new business location projects. Additionally, Louisiana's per capita ranking jumped from ninth in 2009 to first in the U.S. for 2010 rankings that were released in 2011.
- Louisiana improved 14 spots in *Chief Executive* magazine's rank of the 2011 Best and Worst States for Business, where 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 moved up to 27th from 41st in 2010 (40th excluding Washington, D.C.), and now stands at the state's highest-ever position in the ranking.
- In three prominent, national business climate rankings of states – *Chief Executive*, Pollina Corporate Real Estate and *Forbes* – Louisiana has moved up an average of 20 spots since 2008.

- *Site Selection* ranked Louisiana Economic Development the highest-performing state economic development agency in the country in its Competitiveness Awards, which recognizes excellence on the part of state-level economic development groups.

Louisiana cities and regions climb the rankings

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

- **Acadiana Region.** RelocateAmerica named Lafayette to its Top 100 Places to Live in 2011, based on housing, economic health, safety and community input. The U.S. Metro Economies Report published by the U.S. Conference of Mayors ranked Lafayette 41st (of more than 360 metros) for average annual growth (2000-2010). *Southern Business & Development* named Lafayette a “true digital media hotspot” in the South where digital media firms have clustered and rapidly grown. The Business Journals On Numbers analyzed per capita income growth for 366 U.S. metros, and Lafayette ranked No. 11 for the decade (2000-2010).
- **Bayou Region.** Houma ranked No. 1 for per capita income growth (an average 6.38 percent a year from 2000-2010) among 366 U.S. metros analyzed by The Business Journals On Numbers. Houma-Bayou Cane-Thibodaux placed 5th in the nation in *Site Selection's* Top 10 Metro Areas/Tier Two list for business development projects. The U.S. Metro Economies Report ranked the Houma area 16th in the U.S. for average annual growth (2000 to 2010).
- **Capital Region.** Baton Rouge ranked No. 10 in The Business Journals On Numbers analysis of qualities that appeal to job seekers in their 20s and early 30s (65 U.S. metros with 800,000 or more people were studied). RelocateAmerica ranked Baton Rouge among the Top 100 Places to Live in 2011, based on housing, economic health, safety and community input. *Southern Business & Development* named Baton Rouge a “true digital media hotspot” where digital media firms have clustered and rapidly grown. In *Site Selection's* New Plant Database, Baton Rouge ranked No. 1 for cities under 1 million, with 78 economic development wins in 2010. *Southern Business & Development* gave Baton Rouge high honorable mention as a Major Market of the Year.
- **Central Region.** Alexandria ranked 15th-best in a new study by The Business Journals On Numbers that analyzed per capita income growth from 2000 to 2010 for 366 U.S. metros. Central Louisiana Technical College (Alexandria) ranked among the top U.S. campuses in *Community College Week* magazine's 2011 Top 100 Associate Degree Producers. In *Site Selection's* New Plant Database, Alexandria placed No. 6 in the Top 10 Metro Areas/Tier Three list for project wins.
- **Northeast Louisiana.** Monroe ranked 43rd of 366 U.S. metros in per capita income growth for the decade ending 2010, according to The Business Journals On Numbers study. *Trade & Industry Development* magazine recognized DG Foods in Bastrop as one of the Top 15 economic development projects in the U.S. for Community Impact in its sixth annual Corporate Investment and Community Impact, or CiCi, Awards. *Southern Business & Development* magazine awarded Monroe an honorable mention in its Small Market of the Year category, helping Louisiana win the 2011 State of the Year honor in the South. Monroe won the category in 2010.
- **Northwest Louisiana.** The U.S. Metro Economies Report ranked Shreveport 19th (of more than 360 metros) for the growth rate of its Real Gross Metropolitan Product. In *Site Selection*

magazine, Shreveport-Bossier City placed 4th on the Top 10 Metro Areas/Tier Two list for major business development projects. *Forbes* ranked Shreveport No. 1 in the nation for the metro's low cost of doing business, and No. 7 among mid-sized cities for job growth. Additionally, *Forbes* ranked Shreveport-Bossier City No. 3 in a list of top cities for information jobs in the U.S. *The Daily Beast's* second annual list of best cities for recent college graduates ranked Shreveport 20th in the U.S.

- **Southeast Louisiana.** *Southern Business & Development* awarded New Orleans its Major Market of the Year in a tie with Charlotte, N.C. The magazine singled out St. James Parish for a Special Recognition Award as the parish/county within a metro area that recorded the most impressive job-creation results in the South. The Nucor project in St. James Parish earned a Bronze Award in the *Business Facilities* Economic Development Deal of the Year competition. Creative Cities International ranked New Orleans No. 10 on its Vitality Index, which measures cultural, creative and community assets. *Forbes* named New Orleans the No. 1 city for information jobs, with a 39 percent annual job gain in the information sector. *Forbes* also named New Orleans No. 2 among the best big cities for all jobs.
- **Southwest Louisiana.** Lake Charles ranked No. 1 on the Top 10 Metro Areas/Tier Three list in *Site Selection* magazine. The U.S. Metro Economies Report ranked Lake Charles 11th in the U.S. for average annual growth (2000-2010). *Southern Business & Development* ranked Lake Charles as Mid-Market of the Year, helping Louisiana win the magazine's 2011 State of the Year honor in the South. CNN Money ranked Lake Charles as one of the 25 best places to retire in America, citing low costs and ample amenities.

Louisiana bucks national trends with job, investment growth

While the national economy continued to struggle in 2011, dozens of companies said "yes" to Louisiana, committing thousands of new jobs and billions in new capital investment.

- Working with its local and regional partners, LED secured 40 major project wins in 2011, including 24 expansion or retention projects and 16 new projects. The wins occurred in Louisiana's traditional industries, such as chemical manufacturing and agribusiness, as well as in new growth industries, such as clean tech and digital media.
- Together, these projects are projected to retain more than 8,400 jobs and create more than 5,600 new direct jobs and 14,900 new indirect jobs, for a total of more than 20,500 new jobs, as well as \$18 billion in new capital investment.
- As these projects are executed, they are projected to result in hundreds of millions of dollars in new sales for Louisiana small businesses, as well as more than \$55 million per year in new state tax revenue.
- The totals above exclude the direct support LED provided to thousands of Louisiana small businesses in 2011, including more than 1,300 small businesses served by LED's Small and Emerging Business Development program and nearly 13,000 small businesses and individuals served by the Louisiana Small Business Development Center network, or LSBDC, with sustained funding support from LED.

- From Jan. 1 through Dec. 6, 2011, LED and LSBDC efforts generated approximately 1,120 new jobs, retained 1,125 jobs and helped launch 176 new businesses representing \$119 million in debt and equity investment for Louisiana small businesses.

Louisiana supports existing businesses

LED's top priority in 2011 continued to be its business retention and expansion efforts. Due to this focus and the performance of LED's Business Expansion and Retention Group, a variety of Louisiana companies committed to stay and grow in Louisiana during 2011. Some selected examples follow:

- Fortune 500 telecommunications firm CenturyLink announced its second major headquarters expansion in two years in Monroe, with the 2011 project announcement generating nearly 800 new headquarters jobs, an expected \$30 million capital investment, and an estimated 1,200 new indirect jobs. Combined with a 2009 project, CenturyLink will grow its direct headquarters employment more than 60 percent to nearly 3,000 jobs by 2016. The company agreed to remain headquartered in Louisiana at least through 2020.
- Cheniere Energy, based in Houston, announced an anticipated \$6.5 billion investment to begin building in 2012 a natural gas liquefaction facility at its Sabine Pass terminal in Southwest Louisiana. The project would lead to 148 new direct jobs and 77 retained jobs while resulting in nearly 600 indirect jobs in the region. Cheniere would tap Louisiana's abundant shale natural gas to ship liquefied natural gas exports to global customers.
- Schumacher Group announced a headquarters expansion producing 600 new direct jobs in the next five years, growing its Lafayette employment to nearly 1,000. Louisiana convinced the emergency medicine management firm to grow headquarters staff in-state rather than in regional hubs, such as Dallas, Houston and Atlanta. An estimated 1,400 new indirect jobs will result.
- Shreveport-based Libbey Glass announced a \$9 million plant modernization, retaining more than 800 direct jobs and supporting an estimated 1,500 indirect jobs in Northwest Louisiana. The 525,000-square-foot manufacturing plant will make major renovations to a glassmaking furnace.
- Ormet Corp. reopened an alumina refinery idled since 2006 and filled 250 jobs within four months at its Ascension Parish site on the Mississippi River. A \$21 million capital investment accompanied the restart, and the project will result in an estimated 1,000 new indirect jobs.
- Halliburton announced a \$65 million new manufacturing facility in Lafayette to produce machined components for the energy industry. The project will create 150 new direct jobs and result in an estimated 350 new indirect jobs. Another 250 construction workers will be employed during the building of the 200,000-square-foot facility.
- Bradken Engineered Products announced an \$18 million capital investment to expand its Amite steel foundry, retaining 179 jobs, creating 171 new direct jobs and resulting in an estimated 223 new indirect jobs.
- Maritime International of Broussard announced the creation of 90 new jobs by moving its production of harbor protection systems from China to its home base in Louisiana. An \$8 million capital investment will result in an estimated 150 new indirect jobs.

Louisiana cultivates new growth opportunities

LED complements the retention and growth of Louisiana's existing companies by cultivating new growth opportunities that diversify the state's economy and accelerate its economic growth. Below are examples of how LED captured these new growth opportunities in 2011:

- Gameloft, a leading digital game company based in France, announced the establishment of a major game development studio in New Orleans that will employ approximately 150 professionals in the digital media industry – one of Louisiana's targeted growth sectors.
- Sasol Ltd. announced a planned \$10 billion gas-to-liquids refinery near Lake Charles that would create 850 new direct jobs and result in an estimated 4,000 new indirect jobs. The project would produce premium fuels and related products by tapping Louisiana's rapidly growing supply of affordable natural gas from shale reserves.
- Sundrop Fuels Inc. announced it will build a \$450 million biofuels refinery near Alexandria, using wood waste resources from Central Louisiana to produce the world's first renewable green gasoline that is immediately adaptable to existing pumps, pipelines and engines. The project will create 150 new direct jobs and result in an estimated 1,150 new indirect jobs.
- Ronpak Inc., a New Jersey manufacturer of quality consumer packaging, announced its first major expansion in a generation and selected Shreveport as the site of a new \$17 million facility with 175 new direct jobs leading to an estimated 500 new indirect jobs.
- The Receivables Exchange in New Orleans received a significant equity investment from NYSE Euronext, with the NYSE making The Receivables Exchange and its Corporate Receivables Program available to potential sellers, including all New York Stock Exchange listed companies. The announcement expanded the high-growth firm's innovative auction model in the corporate accounts receivables market.
- In Baton Rouge, Electronic Arts Inc. announced an expansion of its North American Test Center for video games. The world's leading video game maker will expand a 400-job quality assurance site to 600 jobs after moving into LSU's new Louisiana Digital Media Center in late 2012.

The year ahead: enhancing Louisiana's economic edge

Against the backdrop of a stagnant U.S. economy, Louisiana continues to outperform the nation and the South. What's more, Louisiana achieved record economic development gains in 2011 despite a growing list of federal policy hurdles.

In the year ahead, LED will pursue targeted initiatives to enhance Louisiana's economic competitiveness; retain Louisiana's existing economic driver firms; support Louisiana's small businesses; cultivate attractive development sites; and recruit new growth industries to Louisiana.

While some nationwide economic indicators improved slightly in 2011, a robust U.S. jobs recovery remains elusive. In 2012, Gov. Bobby Jindal, the Louisiana Legislature and LED will continue working with the state's business community, building on Louisiana's economic advances and ensuring that the state once again outperforms the South and the U.S.

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 2011 performance information are included. The performance information highlights 2011 activity levels and illustrates the impact being delivered through the various programs.

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

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

Small Business Development Centers

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

Businesses Receiving Counseling by SBDCs:	7401
Individuals Trained by SBDCs:	7687

Business Starts by SBDC Clients:	199
Anticipated Jobs Created by SBDC Clients:	2365
Loans Received by Small Businesses Assisted at SBDCs (\$million):	38.4

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. Additionally, certification determines eligibility for the Bonding Assistance Program, additional guaranty support under the Louisiana Economic Development Corporation Loan Guaranty Program, and consideration for bidding on selective service or product purchases by state agencies.

Small Businesses Certified:	745
TAs Provided to Certified Businesses:	236
Percentage by which Assisted Certified Businesses 2-Year Survival Rate Exceeds Similar Businesses:*	13

*This figure represents FY 10-11 because it is a labor-intensive effort to monitor all businesses assisted two years ago and determine if they are still in business. This is done once per year at the end of the fiscal year.

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:	471
Veteran Owned Businesses Certified:	111
Service-Connected Disabled Veteran Owned Businesses Certified:	40

Small Business Bonding Assistance Program

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

New Projects:	3
Total Bond Guarantees Provided (\$million):	0.2
Value of Projects Guaranteed (\$million):	1.6

Microenterprise Development Program

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

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

Working with partners across the state, the program begins with a comprehensive assessment. Once complete, participants begin a two-to-three month business development course that includes entrepreneurship training, personal effectiveness, financial literacy and technical assistance. Part of the course also includes writing a business plan. Upon successful completion of the program and application process, participants become eligible to apply for seed funding to assist in supplementing business startup costs.

Entrepreneurs Trained:	291
Funding Provided to Trained Entrepreneurs (\$million):	0.15

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. Loan participations of up to 40% are also available.

New Projects:	7
Total Bank Loans to Businesses (\$million):	8.1
Anticipated New Permanent Jobs:	280
Anticipated Retained Jobs:	587

Quality Jobs

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

New Projects:	33
Anticipated New Permanent Jobs:	3840
Anticipated Construction Jobs:	5967
Anticipated Associated Capital Investment (\$million):	7073.8

Enterprise Zone

The Enterprise Zone (EZ) program is designed to encourage businesses in certain targeted industry sectors to locate and/or expand existing operations in or near economically distressed areas, and to create a minimum of 5 full-time jobs filled by residents in or near the economically distressed areas. The program provides Louisiana income and franchise tax credits to a business hiring at least 35% of net new jobs from one of four targeted groups. EZs are areas with high unemployment, low income or a high percentage of residents receiving some form of public assistance. A business must create permanent net new jobs at the EZ site. The program provides a \$2,500 tax credit for each certified net new job created; and either a

4% sales/use tax rebate on capital expenditures or income and franchise tax credits up to 1.5% of investment.

New Projects:	129
Anticipated New Permanent Jobs:	3881
Anticipated Construction Jobs:	8099
Anticipated Associated Capital Investment (\$million):	2478.3

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:	27
Anticipated New Permanent Jobs:	173
Anticipated Construction Jobs:	674
Anticipated Associated Capital Investment (\$million):	60.2

Industrial Tax Exemption

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

New Projects:	593
Anticipated New Permanent Jobs:	3334
Anticipated Construction Jobs:	34375
Anticipated Associated Capital Investment (\$million):	9902.6

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.

New Projects:	9
Amount of Tax Incentives Pre-Certified:	14.3
Anticipated New Permanent Jobs:	685
Anticipated Retained Jobs:	2989
Anticipated Associated Capital Investment (\$million):	938.8
Anticipated New Payroll (\$million):	34.6
Anticipated Retained Payroll (\$million):	218.5

Motion Picture Investor Tax Credit

The Motion Picture Investor Tax Credit is designed to encourage feature film and television production in the state. The program provides a transferrable 30% tax credit on qualified motion picture expenditures made within the state. Payroll expenditures for Louisiana residents qualify for an additional 5% tax credit (35% effective total credit rate).

Number of applications received:	151
Number of applications receiving final certification:*	112
Certified spending in the state (\$million):	644.2
Amount of tax credits certified (\$million):	198.8

*May include applications received in other reporting periods and may not include some applications received in 2011

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 25% of qualified production expenditures for state-certified digital interactive productions in Louisiana and 35% tax credit for payroll expenditures for Louisiana residents.

Number of applications received:	95
Number of applications receiving final certification:*	106
Certified spending in the state (\$million):	26.7
Amount of tax credits certified (\$million):	8.2

*May include applications received in other reporting periods and may not include some applications received in 2011

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 be placed in the queue to receive tax credits in the next calendar year.

Number of applications received:	28
Number of applications receiving final certification:*	23
Certified spending in the state (\$million):	1.1
Amount of tax credits certified (\$million):	0.3

*May include applications received in other reporting periods and may not include some applications received in 2011

Musical and Theatrical Production Tax Credit

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

Number of applications received:	13
Number of applications receiving final certification:*	7
Certified spending in the state (\$million):	1.8
Amount of tax credits certified (\$million):	0.2

*May include applications received in other reporting periods and may not include some applications received in 2011

Research & Development Tax Credit

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

Number of applications approved:	147
Certified R&D spending in the state (\$million):	108.6
Total Credits Certified (\$million):	12.4

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 6% of gross payroll for all new jobs created.

New Projects:	3
Total Credits Certified (\$million):	0.07
Approved Commercial Costs (\$million):	0.2

LED FastStart™ Program

LED FastStart provides customized recruitment, screening and training to new and expanding, eligible companies. Recognized for its innovation, effectiveness and efficiency, LED FastStart has quickly established a presence among workforce solutions programs nationwide. 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:	33
Employees Trained:	6626
Anticipated New Permanent Jobs:	7440
Anticipated Retained Jobs:	3999
Anticipated Associated Capital Investment (\$million):	13866.8

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:	3
Award Amount (\$million):	5.9
Anticipated Retained Jobs:*	0
Anticipated New Permanent Jobs:	529
Anticipated New Indirect Jobs:	1423
Anticipated New Total Jobs (Direct and Indirect):	1952
Anticipated Associated Capital Investment (\$million):	111.3

Anticipated New Annual State Tax Revenues Generated (\$million/yr): 5.3

*All projects were recruitment project with new location to the state

Mega-Project Development Fund

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

New Projects:	2
Award Amount (\$million):	8.3
Anticipated Retained Jobs:	1889
Anticipated New Permanent Jobs:	1093
Anticipated New Indirect Jobs:	1439
Anticipated New Total Jobs (Direct and Indirect):	2532
Anticipated Associated Capital Investment (\$million):	39.0
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	7.1

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

The Economic Development Award Program is designed to assist in the development of publicly owned infrastructure for industrial or business development projects that promote targeted industry economic development and that require state assistance for basic infrastructure development. The program provides a minimum of \$50,000 to public or quasi-public state entities or political subdivisions for developing publicly owned infrastructure to advance industrial or business development projects that create or maintain at least 10 jobs. The related Economic Development Loan program assists in the financing or loan funding of privately-owned property and improvements, including the purchase or leasing of a building site, the purchase or construction, renovation, rebuilding and improvement of buildings, their surrounding property, for machinery and equipment purchases and rebuilding, and for additional costs related to and incurred in connection with the location or relocation of the

business enterprise. The programs are managed such that projects utilizing the programs generate a positive return on investment (ROI) as measured by projected tax revenues. Prior to utilizing the programs, LED performs an ROI assessment based on industry-standard Bureau of Economic Analysis input-output multipliers and historical rates of state tax revenue collections.

New Projects:	5
Award Amount (\$million):	3.4
Anticipated Retained Jobs:	646
Anticipated New Permanent Jobs:	615
Anticipated New Indirect Jobs:	1709
Anticipated new Total Jobs (Direct and Indirect):	2324
Anticipated Total Capital Investment (\$million):	124.4
Anticipated New Annual State Tax Revenues Generated (\$million/yr):	6.2

EXISTING PROGRAMS WITH NO NEW ACTIVITY IN 2011

The following existing programs had no new activity in 2011, only renewals or continuations of commitments from prior years.

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 manufactures must commit maintain current employment and to significant investment to continue doing business in Louisiana. Taxes or portions of taxes to be exempt can include the following: the corporation franchise tax, state sales and use taxes on goods necessary for production, state sales and use taxes on machinery and equipment, the corporation income tax, and any other taxes imposed directly by the state on the applicant.

Venture Capital Match & Co-Investment Program

The Venture Capital Match Program provides for a match investment for qualified Louisiana venture capital funds. The fund must have at least \$5 million of private investment. The funds are matched on one state dollar for each two private capital up to a maximum of \$5 million. The Co-Investment Program provides for a co-investment in a Louisiana business of up to ¼ of

the round of investment, but not more than \$500,000, with any qualified venture capital fund with at least \$7.5 million in private capital. The venture capital fund may be from outside Louisiana.

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 10 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.