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STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING

A Public Hearing was held by the Louisiana Economic Development Corporation, Board of Directors, at 617 North 3rd Street, Floor 1, LaBelle Room, Baton Rouge, Louisiana 70802 beginning at 9:31 a.m. on Wednesday, December 9, 2021.

Reported by:

Susan Erkel

Certified Court Reporter

In and for the State of Louisiana

1 APPEARANCES

2
3 BOARD MEMBERS:

4 CHARLES E. JACKSON, III

5 ANDY L. ADLER

6 CAL SIMPSON

7 SECRETARY DON PIERSON

8 NORISHA K. GLOVER

9 TERRY MOORE

10 JOHN F. GEORGE, JR.

11 LOUIS REINE

12 STEPHEN P. DAVID, JR.

13 A.J. ROY, III -- ABSENT

14
15 STAFF MEMBERS:

16 ROBIN PORTER

17 ANN VILLA

18 BRENDA GUESS

19 KELLY RANEY

20 SHAMELDA PETE

21 SUSAN BIGNER

22 CRYSTAL DALGO

23 MOLLY HENDRICKS

24 LAURA WOMACK

25 MARISSA DOIN

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TORRI BUCKLES
FRANK ROBERTS
STEPHANIE HENDERSON
DEBORAH SIMMONS

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PROCEEDINGS

1
2
3 MR. JACKSON:

4 Let's call the meeting to order. The Board of
5 Directors Louisiana Economic Development Corporation
6 meeting, Ms. Simmons will call the roll.

7 MS. SIMMONS:

8 Charles Jackson?

9 MR. JACKSON:

10 Here.

11 MS. SIMMONS:

12 Louis Reine?

13 MR. REINE:

14 Here.

15 MS. SIMMONS:

16 John George?

17 MR. GEORGE:

18 Here.

19 MS. SIMMONS:

20 Cal Simpson?

21 MR. SIMPSON:

22 Here.

23 MS. SIMMONS:

24 Andy Adler?

25 MR. ADLER:

1 Here.

2 MS. SIMMONS:

3 Narisha Glover?

4 MS. GLOVER:

5 Here.

6 MS. SIMMONS:

7 Terry Moore?

8 MR. MOORE:

9 Here.

10 MS. SIMMONS:

11 Stephen David?

12 MR. DAVID:

13 Here.

14 MS. SIMMONS:

15 Secretary Don Pierson?

16 MR. PIERSON:

17 Present.

18 MS. SIMMONS:

19 Mr. A.J. Roy? (No response.)

20 We have a quorum.

21 MR. JACKSON:

22 Thank you. Our next item is to approve the
23 minutes. You may have noticed, if you look to your
24 packet, that we don't have the minutes yet so we're
25 not going to be able to do that. We're going to omit

1 the minutes for this meeting and we'll have them for
2 our next meeting. So now we'll move on to Item No.
3 4, Economic Development Award, S&W Wholesale Foods.

4 MS. WOMACK:

5 Good morning. My name is Laura Womack. I'm
6 representing LEDC staff. Today I'm presenting S&W
7 Wholesale Foods, LLC. I have Mr. Paul Spalitta here
8 from the company. I also have Mr. Robert Leger from
9 Sumit Credits who was a consultant on the project, as
10 well as Mr. Michael Tomlinson, who is the Economic
11 Development Specialist for Tangipahoa Parish
12 government who is the sponsor on this project.

13 S&W is an existing business that is requesting
14 approval for a \$430,200 sponsor EDAP for the
15 construction of a new food distribution facility and
16 office space to be located in Tangipahoa parish. S&W
17 is a second generation family-owned business that was
18 founded in 1978 and is a distributor of meats,
19 seafood, produce, dairy, canned goods, cleaning
20 supplies, paper products, plastic ware and. Their
21 clients cover a wide range of retail establishments
22 which include restaurants, convenience stores,
23 bakeries and others.

24 Founded in Hammond by Mr. Frank Spalitta the
25 original produce lines consisted of meats such as

1 ham, sausage, and ground beef. In 2006 their son Mr.
2 Paul Spalitta took over the company and continues to
3 grow and expand the business. They currently carry
4 over 6000 different products. The company is
5 Louisiana's largest independently owned food service
6 supplier and they serve customers throughout South
7 Louisiana and the Mississippi Gulf Coast.

8 S&W was able to continue supplying restaurants
9 and convenience stores in the aftermath of Hurricane
10 Ida which resulted in 45 percent increase in their
11 sales. They've expanded operations in Hammond
12 multiple times since their founding in 1978 and the
13 current site cannot accommodate their expansion
14 plans. The new facility will provide space needed to
15 serve their customers and the opportunity to grow
16 their product lines and warehouse capabilities.

17 The new 100,000 square, multi-temperature
18 wholesale food distribution center will feature
19 30,000 square feet of office space that will include
20 a state of the art culinary test kitchen and training
21 facility with stadium style seating. Upon completion
22 they will relocate all operations to this new
23 facility.

24 The project cost of 12 million includes the
25 acquisition of capitol equipment as well as building

1 construction and infrastructure improvements. The
2 EDAP awards will specifically be used to assist with
3 the cost of road improvements to a parish owned road
4 and these improvements include widening the road,
5 repaving the road to allow for semi-truck traffic as
6 well as extending the road approximately one fourth
7 of a mile from where it currently end.

8 The company will retain 76 existing jobs with an
9 approximate annual payroll of 3.8 million and that's
10 to be increased two percent annually and also to
11 create 30 new jobs with an associated payroll of
12 1.3 million by 2032 with an average salary of 55,000.
13 All of their jobs and their payroll must be
14 maintained through December 31st of 2032. The total
15 capital investment 12 million is to be expended by
16 December 31st of 2023. Tangipahoa's unemployment
17 rate was six percent as of September 2021 compared to
18 the State rate of 4.9 percent for the same period.

19 The per capita personal income for Tangipahoa
20 for 2020 was \$41,792 compared to the State per capita
21 income for the same period of \$50,874. The project
22 is estimated to have state revenues of \$1,701,584
23 with the company receiving the \$430,200 EDAP as well
24 as \$208,000 from the Enterprise Zone Program and this
25 will result in a net revenue of \$1,063,384 for the

1 State.

2 Staff recommends approval of this project as a
3 sponsored EDAP with all of our usual contingencies
4 that are normally in place as well as the retention
5 of their 76 jobs with associated 3.8 million payroll
6 increased at two percent annually and to create the
7 30 new jobs with the associated payroll of
8 1.3 million maintained through December 31st, 2032.
9 Total capital investment is at the facility in
10 Tangipahoa of at least 12 million expended by
11 December 31st, 2023.

12 The EDAP award will be funded upon verification
13 that the expenditure requirement has been met.
14 Should the company fall short of that capital
15 expenditure amount of 12 million, the EDAP award will
16 be reduced proportional to the shortfall. Also, an
17 in solido personal guarantee of Mr. Paul Spalitta for
18 the length of the EDAP award will be required. In
19 addition, collateral in the amount of no less than
20 the EDAP award will be required. And the final item
21 is we're still waiting on a Board Resolution from
22 Tangipahoa Parish HUD.

23 And with that, I would like to turn it over to
24 Mr. Paul Spalitta who can give you more background
25 about the company and the project.

1 MR. SPALITTA:

2 Thank you very much for having me here today.
3 I'll go ahead and mention we have been in business
4 for almost 44 years now in Tangipahoa Parish. It's
5 been a very growing business. I'd also like to
6 introduce my father, Frank Spalitta who is our
7 founder of our company. I'll tell you a quick funny
8 story about our company. When the company first
9 started it was my father and he had a partner with
10 the last name of Williams. So that's where the S&W
11 originally came from.

12 A few years into their partnership things
13 weren't working out. So my parents bought their
14 partner out of the business and my mother said we're
15 not going to change the name of the business. We'll
16 just call it Spalitta and wife. So the last 35 years
17 it's been Spalitta and wife and I'm very honored to
18 run the company. We have a great team in Hammond.

19 So we're really excited about this expansion and
20 look forward to working with LED to continue to grow
21 both our business and the economy here in Louisiana
22 and Tangipahoa Parish. I'm more than happy to answer
23 any questions that any of you may have at this point.

24 MR. JACKSON:

25 Are there any questions?

1 MS. GLOVER:

2 This may be a question for you to answer or
3 maybe someone up here to answer. So I saw that the
4 money that you requested for EDAP was for the cost of
5 road improvements to the parish road and I'm just
6 curious as to why the city or the parish is not
7 absorbing the cost?

8 MR. SPALITTA:

9 I'm having a little difficulty hearing.

10 MS. GLOVER:

11 I saw that the EDAP funds would be specifically
12 used to assist with the cost of road improvements to
13 the parish road and I'm curious as to why the city or
14 parish is not taking care of the cost of
15 infrastructure, road infrastructure?

16 MR. SPALITTA:

17 That's a good question. I'd like for them to do
18 it as well, but my understanding is that's not
19 standard operating procedure for them.

20 MR. WEGE:

21 So I believe part of the issue is that the
22 current need for the road to be widened or
23 strengthened is not necessary until this building is
24 complete and we have this 18-wheeler traffic going
25 through there. It's not necessary for the parish to

1 make those improvements to the road so it's
2 specifically due to the fact that we're building
3 facility and the increase in traffic that the parish
4 is going to need or this road is going to need to be
5 widened and strengthened.

6 MS. GLOVER:

7 And then the funds that you are receiving from
8 the Enterprise Program, what do those funds cover,
9 the \$280,000 that I see.

10 MR. WEGE:

11 Sure. My name is Robert Wege, Sumit Credits.
12 The Enterprise Zone funds -- I'm sorry. Repeat the
13 question.

14 MS. GLOVER:

15 Nevermind. I'm good. Thank you.

16 MR. JACKSON:

17 Other questions?

18 MR. REINE:

19 Yes, sir, Mr. Chair. I'll go back to her
20 question about the Enterprise Zone. Is that a tax
21 credit or is that --

22 MR. WEGE:

23 So this facility is also applying for the
24 Enterprise Zone Program which is another statutory
25 incentive program that the state provides based on

1 creating jobs and investing Capital into this
2 facility. So I'm not sure if the 280 that you're
3 referencing, what you're looking at.

4 MS. GLOVER:

5 It's Number eight.

6 MR. WEGE:

7 Oh, okay. That would just be the accommodation
8 of the investment incentive, one and half percent of
9 the total capitalized cost on the building and
10 potentially the (inaudible) credits.

11 MR. REINE:

12 So where this would be it's a new location not
13 in addition to the current location?

14 MR. WEGE:

15 Correct. It's a new location.

16 MR. REINE:

17 And so the new location is in a designated
18 Enterprise Zone?

19 MR. WEGE:

20 So for the Enterprise Zone Program, they made
21 changes to the program a long time ago to where you
22 no longer have to be located in an Enterprise Zone.
23 Instead, they changed the program to where you have
24 to hire a certain targeted employee. So, for
25 example, you can hire employees that live in an

1 Enterprise Zone and were to meet the hiring
2 requirements of that program. But the facility
3 doesn't necessarily need to be located in an
4 Enterprise Zone.

5 MR. REINE:

6 Basically they hire people from the designated
7 Enterprise Zone?

8 MR. WEGE:

9 Correct. There are other hiring I guess
10 certifications or qualifications that you could use
11 to meet the jobs requirement for that program. But
12 an Enterprise Zone resident isn't one of the
13 requirement that you can use to meet that
14 qualification.

15 MR. REINE:

16 Just to refresh my memory, Mr. Pierson, that's a
17 tax credit or direct payment?

18 MR. PIERSON:

19 Just to add a little clarity to the 208. That
20 is a feature of both the Quality Jobs Program and the
21 Enterprise Zone Program that we refer to as the
22 investment tax credit. As you can imagine, when
23 there was a significant amount of money for the
24 construction, there will be a segment of that that's
25 materials. There will be a segment of that that's

1 labor. All the materials stands to secure a
2 four percent sales tax imposed on all those materials
3 so where one and a half percent of the total project
4 is essentially a liability of the State or a tax
5 credit back to Corporation.

6 It's essentially generated by the investment
7 that they make since we stand to make that
8 four percent and we want them to make that investment
9 in Louisiana and it gives us a competitive
10 opportunity without having to ask the State to
11 actually write that check. It sort of self-generates
12 it. It is a liability but it's not a cash call for
13 the State, so to speak.

14 MR. REINE:

15 So if I understood you, part of the Enterprise
16 Zone is going to be a rebate in sales tax on material
17 and part of this is the quality of jobs?

18 MR. PIERSON:

19 If you're in the Quality Jobs Program which this
20 is not, but if you were in the Enterprise Zone
21 Program which this is, you are then eligible for this
22 investment tax credit which we review by the
23 department and an estimate is based on the
24 construction figures, the 208 as we sit today.

25 MR. REINE:

1 And the local government can ask for the same
2 waiver on the local sales tax?

3 MR. PIERSON:

4 They may choose to do that. That's something
5 that some local governments like to do when they get
6 in a very competitive situation, but I don't have any
7 knowledge whether that's a feature of this particular
8 allocation or not. It is an available option to be
9 eligible. The other question is to have the parish
10 level to engage in that conversation.

11 MR. REINE:

12 I'm just trying to an understanding. It says in
13 your application your moving to a complete new
14 location. It says the average wage is \$55,000 per
15 employee. Looking at the 30 employees and you've
16 reached a payroll, that works out to \$40,000 per
17 employee. Is the average for the new employees going
18 to be \$40,000, ballpark, correct?

19 MR. SPALITTA:

20 I'm having a little difficulty hearing. Say
21 that again.

22 MR. REINE:

23 The application says the average wage for
24 employees is \$55,000 a year. When I looked at the
25 new employees and the dollar amount for the new

1 payroll, my math says that the average wage for the
2 new employees are going to be \$40,000 a year. Is
3 that an accurate estimate?

4 MR. SPALITTA:

5 I'm not sure why we have the difference there.

6 MR. REINE:

7 I understand the differences. The difference is
8 what you pay your current employees and it's going to
9 be averaged in with the new employees. But I'm more
10 concerned are the new employees -- are you saying the
11 average wage for the new employees is going to be
12 about \$40,000 a year.

13 MR. WEGE:

14 So you ran the math off the total existing
15 employees?

16 MR. REINE:

17 No. I ran the math off the 30 new jobs with
18 new payroll of 1.2 million dollars. That works out
19 to \$40,000 a year.

20 MR. PIERSON:

21 So the existing number has all management team
22 in it and where you're going to start new hires, the
23 question I think that from Mr. Reine is around will
24 these new hires come in at a starting wage and have
25 the ability to work their way up or are there a

1 vertical leap in equal managers and other people that
2 are going to be --

3 MR. REINE: I want to know how much -- what kind
4 of jobs are we creating for the new 30 positions in
5 the economic --

6 MR. SPALITTA:

7 So the new employees -- we'll definitely need
8 much more people in our transportation department
9 which those salaries are between \$70 and \$75,000 a
10 year for those. Some of the warehouse employees will
11 be at a lower salary. So this was the average of the
12 55 came from. I'm not sure why the math is not
13 accurate here.

14 MR. REINE:

15 So the warehouse employees, these jobs that you
16 are creating, what kind of wage rate and benefit
17 package are those new employees going to get to work
18 in the warehouse?

19 MR. SPALITTA:

20 Those are generally around \$18 to \$20 an hour in
21 the warehouse.

22 MR. REINE:

23 Plus benefits?

24 MR. SPALITTA:

25 Plus benefits, correct. Yes.

1 MR. REINE:

2 All right. I think we're good. I've got one
3 more question. Last time we talked to somebody and
4 they were setting up some kind of facility with
5 freezers they had a big problem getting the freezers.
6 Do you remember that? So y'all got all of that
7 secured and are confident that you will be able to
8 get all of the equipment that you need.

9 MR. SPALITTA:

10 We're confident we'll be able to get it built.
11 We're probably not going to get it as quickly as we'd
12 like to, but we'll have no problem with getting
13 material for the freezer and refrigeration equipment
14 as well.

15 MR. REINE:

16 I just ask because somebody at the last meeting
17 and wanted an extension because they couldn't get
18 freezers.

19 MR. SPALITTA:

20 That could be a challenge, yeah.

21 MR. REINE:

22 Maybe he could call you and figure out how to
23 get them. Thank you, Mr. Chair.

24 MR. JACKSON:

25 Other questions?

1 MR. MOORE:

2 I just got one. Just want to zero in. You said
3 some of the new jobs that are going to be created
4 with transportation, correct?

5 MR. SPALITTA:

6 Correct.

7 MR. MOORE:

8 And just going through the unemployment rate of
9 six percent for Tangipahoa Parish and one of the
10 contingencies is to present increase in payroll, do
11 you foresee any problems with a national driver
12 shortage? Do you see that impacting you or
13 correlating to you in any kind of way?

14 MR. SPALITTA:

15 It certainly has made more things more
16 challenging, but I think with the recruiting efforts
17 that we have along with LED we will be able to fill
18 those roles, yes. We also have recently started a
19 new driver training program to try and target some of
20 the younger maybe high school graduates and such that
21 may be interested in that is a career. So we're
22 working through that as well.

23 MR. MOORE:

24 So you're counting on organic growth and hoping
25 that you will reverse the trend and the national

1 average?

2 MR. SPALITTA:

3 Yes. That is correct.

4 MR. SIMPSON:

5 Did you say that you had not gotten a resolution
6 from Tangipahoa Parish Counsel?

7 MR. WEGE:

8 That's correct. We're on the agenda for
9 December 13th.

10 MR. SIMPSON:

11 This would be contingencies. This money is
12 actually going to the parish to do the road and this
13 would be contingent upon that resolution being
14 approved by City Council or the parish government?

15 MR. WEGE:

16 Right.

17 MS. VILLA:

18 Maybe you should ask them to reimburse you?

19 MR. SPALITTA:

20 Ma'am?

21 MS. VILLA:

22 I'm saying maybe you should ask the parish to
23 reimburse him. They should not have to pay for the
24 roads.

25 MR. GLOVER:

1 Well, from my understanding, this is what part
2 of the program is for and then it's just a normal
3 activity. Well, actually, he said if it was too
4 complicated he'd build it himself instead of asking
5 the government. But that's my understanding of what
6 part of the --

7 MR. JACKSON:

8 Or sometimes it's a match.

9 MR. REINE:

10 I understand that's what this program was for
11 and that it --

12 MR. JACKSON:

13 I wonder if Tangipahoa Economic Development
14 would like to say anything. Would you like to add
15 anything relative to the discussion at hand?

16 MR. TOMLINSON:

17 Sure. My name is Michael Tomlinson. I'm with
18 the Tangipahoa Parish Economic Development
19 Department. I'm an economic development specialist.
20 And the EDAP funds provide the ability to make the
21 improvements on publicly owned infrastructure that it
22 can be said but for that infusion of dollars to make
23 those road improvements this project may not happen.
24 And so that's why the parish is extremely
25 appreciative for any consideration given to the

1 approval for this EDAP. And on behalf of the Parish
2 President Robby Miller and Ginger Cangelosi Executive
3 Director Economic Development in the parish, we just
4 want to say thank you. We really appreciate any
5 consideration and the time y'all spent looking at the
6 matter. Thank you.

7 MR. JACKSON:

8 Any other questions?

9 MR. ADLER:

10 Yeah. I have a question about the increase in
11 revenue, 45 percent which is allowed. I'll say that
12 just a few months ago and that's a very large chunk
13 of revenue and just your confidence without giving
14 away propriety information, did you get that
15 additional revenue from competition going away
16 because of the hurricane you picked up extra
17 business.

18 MR. SPALITTA:

19 That was certainly part of it, yes. But we also
20 have some very aggressive growth plans for our
21 company prior to Ida. That just happened to be a
22 windfall that we've experience. We have maintained
23 about 75 percent of that increase since Ida. It was
24 a huge spike because of competition having some
25 challenges with delivering.

1 MR. ADLER:

2 And that was my question about building for the
3 big spike and making sure you can sustain it.

4 MR. SPALITTA:

5 This was on the drawing board long before Ida
6 and this is kind of the result of that. It just
7 happened to be a windfall.

8 MR. JACKSON:

9 Any other questions? (No response.) Hearing
10 none, is there a motion.

11 MR. REINE:

12 Mr. Chairman, I make a motion to approve subject
13 to adoption of the resolution by the Parish and all
14 the appropriate documentation need be completed.

15 MR. SIMPSON:

16 Seconded.

17 MR. JACKSON:

18 Any further discussion? (No response.) Any
19 comments from the public? (No response.) All in
20 favor of the motion please signify by saying "Aye".

21 (All members respond.)

22 MR. JACKSON:

23 Any opposed? (No response.) We're good. We're
24 glad to be a partner. And Mr. Spalitta, Sr., we're
25 glad you're here today to see the continued growth of

1 your company. It's a great legacy to be going on
2 this long. And if A.J. was here, Mr. Roy was here,
3 he'd say please come back and tell us your progress.

4 MR. SPALITTA:

5 I definitely will. Thank you very much and I'm
6 grateful for your time and attention to this matter.
7 Thank you.

8 MR. ADLER:

9 Thank you to the "W" at S&W too. Tell her
10 thanks.

11 MR. SPALITTA:

12 Thank you.

13 MR. JACKSON:

14 Moving along, Secretary Treasurer' Report.

15 MS. VILLA:

16 Good morning, Board Members. Ann Villa,
17 Undersecretary for Louisiana Economic Development.
18 You have in front of you the LEDC Secretary
19 Treasurer's Report as of November 24th. Our
20 overview for FY '22 budget of \$18,886,671. We have
21 approved projects \$3,600,000 and we have the board
22 approved project that we just went through of
23 \$430,200 which gives us a balance of \$14,856,471. We
24 currently within the department have 875,000 projects
25 that under review which gives us a projected year-end

1 balance of \$13,981 471.

2 On the next page of the report is the financial
3 incentive program which has a balance of a \$190,000.
4 We don't have anything expected there. We have our
5 capital outlay appropriation on the next page which
6 gives you the breakout of our EDAP award program
7 budget as well as our EDRED budget for FY '22. And
8 then we have our projects under review -- I'm
9 sorry -- our projects have been approved on the
10 3.6 million, the four projects there as well as the
11 at expected detail of our projects that are under
12 review currently within the department.

13 And onto our next page is our general
14 appropriation which gives us our projections overall
15 for FY '22. At and if you have any questions I can
16 answer further, but that's pretty much the detail
17 right now of our Secretary Treasurer's Report. Do
18 you have any questions for me?

19 MR. JACKSON:

20 Is that something we usually take a motion to
21 approve?

22 MS. VILLA:

23 We do approve the Secretary Treasurer's Report
24 and the then the report that is given next.

25 MR. REINE:

1 I move we accept the report.

2 MR. DAVID:

3 I second it.

4 MR. JACKSON:

5 All in favor?

6 (All members respond.)

7 MR. JACKSON:

8 Any opposed? (No response.)

9 Accountant's report?

10 MS. DALGO:

11 Good morning. I'm Crystal Dalgo and I'll be
12 presenting to you the LEDC Accountant Status Report.
13 As of October 31st, 2021 there were 20 SSBCI 1.0
14 guaranteed loans totaling \$3,060,900. The allowance
15 for the SSBCI 1.0 guaranteed loan losses is reflected
16 at a rate of 18 percent and it is \$550,962. On the
17 next page we have the EDAP Loan Portfolio as of
18 November 30th, 2021 there are three loans, Town of
19 Colfax, City of Bastrop, Town of Vivian. This
20 portfolio totals \$370,341. The allowance for the
21 EDAP loan losses is \$55,551 and is reflected at 15
22 percent.

23 And then on the last page mas of October 31st,
24 2021, the LEDC guaranteed loan portfolio consists of
25 one loan which is NOLA Detox, LLC for a total of

1 \$625,338. The allowance for the LEDC guarantee loan
2 losses here is reflected at 18 percent and it is
3 \$112,561. And this concludes my report. Are there
4 any questions?

5 MR. JACKSON:

6 Any questions?

7 MR. REINE:

8 Are all of loans current in their repayments?

9 MS. DALGO:

10 Yes.

11 MR. REINE:

12 And the EDAP loans, are those forgivable? They
13 don't have to pay it back if they do everything
14 they're supposed to do or something like that?

15 MS. DALGO:

16 That's correct.

17 MR. REINE:

18 How do we have a loan loss percentage with these
19 forgivable loans?

20 MR. JACKSON:

21 If we don't forgive it they won't come in.

22 MS. VILLA:

23 If the requirements aren't met of the agreement
24 then we have a potential loss.

25 MR. REINE:

1 So that's a clawback.

2 MS. VILLA:

3 Yeah. There could be a clawback. There's
4 clawback provisions that we have but we always have
5 provisions for loan losses. It's just standard
6 accounting procedures.

7 MR. JACKSON:

8 They would owe them back but might not be able
9 to pay it since they had to borrow it in the first
10 place. So instead of forgiving it we write it off.

11 MR. REINE:

12 We'll get it back from the local government?

13 MR. JACKSON:

14 Do we have a motion to approve the accounting?

15 MS. DALGO:

16 I'm sorry. I'm just looking at it to make sure,
17 but typically the companies will work through a
18 payback with the State so that we don't have to go
19 after the local government. But, it is possible.

20 MR. ADLER:

21 I got one question before we do that just to
22 make sure. We might have talked about this since Ida
23 came up again. We've identified and discovered
24 (inaudible) adversely affected by Ida and would it a
25 be physical plan or employees some sort of business

1 where (inaudible).

2 MS. DALGO:

3 We haven't received any indication to think
4 otherwise. We receive monthly loan status reports
5 for each one of these loans so we do have a good
6 indication if there is a trend forming. Do I those
7 reports nor a verbal feedback that the bankers that
8 we have with relationships with indicated otherwise.
9 I say that and then just remind you last month
10 Hubig's came and they were in a situation where we
11 needed to extend because of the freezer. So outside
12 of that particular loan, we have no indication to
13 think there's a performance issue in this program
14 here.

15 MR. REINE:

16 Great.

17 MR. JACKSON:

18 Thanks. Do I have a motion?

19 MR. REINE:

20 I make a motion.

21 MR. SIMPSON:

22 Second.

23 MR. JACKSON:

24 Any discussion? (No response.)

25 Any commence from the public pertaining to this

1 or the Treasurer's Report because I forgot to ask
2 earlier? (No response.)

3 All right. If not, all in favor of accepting
4 the Accountant's Report please signify by saying,
5 "Aye".

6 (All members respond.)

7 MR. JACKSON:

8 Any opposed? (No response.) Motion carries.

9 Secretary Pierson?

10 MR. PIERSON:

11 Thank you all. I'll try to be brief and also
12 available if you have any questions going forward.
13 But, thank you, Mr. Jackson for chairing. Chairman
14 A.J. Boyd could not be with us today and I want to
15 thank you Board Members for braving some tough
16 weather issues to get here today as well. A lot of
17 good things continue to happen. One of the
18 observable events from EDAP approved a number of
19 months ago was the groundbreaking for the Lacassine
20 Rice Mill that occurred two weeks ago. We had a
21 great turnout there and a lot of enthusiasm and
22 excitement. We certainly have a focus on a lot of
23 rural development projects these days so I can argue
24 that we always have, but sort of a more pronounced,
25 call attention to it where we're having these rural

1 events which fortunately we've had a number of them
2 throughout the state.

3 Certainly the state runs, in my view, on sort of
4 two (inaudible). What is our fiscal year looking
5 like on July when we're really just at a midpoint if
6 you look at the State's fiscal year. But we are
7 wrapping up the calendar year of 2021 and finishing
8 very strong. You may have observed the Venture
9 Global LNG Facility that was announced last week with
10 a more than 10 million investment. It's a joint
11 announcement for Cameron Parish where Venture Global
12 already has eight billion dollars on the ground.
13 Sometime we ought to do a field trip just so people
14 can wrap their arms around what very significant
15 economic activity is taking place in our state and
16 for Venture Global to continue to make these kind of
17 investments will result in 2,300 construction jobs
18 out there.

19 They're also moving forward with construction in
20 Plaquemines Parish. So a lot of confidence that
21 we're going to see some good things happen relative
22 to that. Even in today's S&W package for this
23 company is in some respects a great rural win for us.
24 I know Hammond wouldn't consider itself rural, but
25 when you look at the workforce around Tangipahoa

1 Parish and that part of the State, it does a great
2 deal in the rural economy with those kinds of
3 investments.

4 We'll continue to work on our SSBCI, state small
5 business credit initiative that will be coming to us.
6 We have received treasury guidance and we'll continue
7 to work some packaging and strategic opportunities
8 with this. We're having conversations today with the
9 Governor's staff and others to make sure that we're
10 in alignment with things that they would like to see
11 going in the packages as well as we bring it back to
12 you for more direction as we seek the Governor's
13 letter of approval in application for the U.S.
14 Treasury. It's sort of the next path that I think
15 we're engaged with right now. I believe we, the LED
16 staff have drafted this letter so that it's available
17 to the Governor and receives and reviews all the
18 information. Dispatch that to Washington and
19 hopefully that will bring us a very significant loan
20 that we will manage and direct into our bureau
21 activity here in Louisiana.

22 We also recently released the Military Impact
23 Department of Defense impact on our state which is a
24 (inaudible) billion dollars annually and we pay a lot
25 of attention to that particular segment of our

1 economy which is a major feature in northwest
2 Louisiana, Shreveport/Bossier and certainly in
3 central Louisiana at Fort Polk, Belle Chase and other
4 military installations in the greater New Orleans
5 area are also a part of this. But Veteran's
6 activities, retirement pay, (inaudible) our military
7 retirees in the area who are all sort of included
8 into this package.

9 What's interesting to note here, the question
10 today regarding the road infrastructure improvements.
11 That's always sort of challenging area for us in
12 that, you know, we'd like to think the world is
13 simple and a road is a road. But when you go into
14 the district transportation offices and see the
15 overlay of which roads are city roads, which roads
16 are parish roads, which roads are state roads, which
17 are federal highways and all that maintenance
18 obligations and that that go with all of these. To
19 be able to bring the support of the Board and let the
20 local jurisdictions deploy the funds to facilitate
21 safe operation usually to return things or
22 synchronization it permits for the expansion of at
23 least proposing and experiencing is very, very
24 helpful to us and we work hard for the most part to
25 make sure EDAPs are not say working capital. But

1 actually infrastructure improvements like Mike
2 Tomlinson did a nice job defining and it can the
3 roads, water, the wastewater systems are very helpful
4 to the parishes to work in unison with this group and
5 that we need the local economic authorities to affect
6 these infrastructure projects that are a win/win.

7 They're good for the community in terms of
8 safety and building permits. They also bring with
9 them this feature of job expansion and particularly
10 in companies that are in Louisiana and growing. It's
11 always a great outcome from our vantage point. We
12 love to recruit our newcomers, but we put a lot of
13 muscle into taking care of the companies that are
14 located here in Louisiana with longterm tax payers
15 help facilitate their growth as well. So that
16 concludes my remarks. We play a very significant
17 roll for us and for parish practitioners and regional
18 practitioners that are out there seeking to grow a
19 more vibrant economy in our state. I'll be happy to
20 answer any questions you might have?

21 MR. REINE:

22 Mr. Secretary, at sometimes before or in
23 January, there were conversations about expansion and
24 improvements in Cameron that their goal was to be a
25 size and rival Fourchon. I come off track on that.

1 Are you aware of any progress towards that goal or
2 has as it been changed?

3 MR. PIERSON:

4 Largely this is a concept that has not moved
5 forward. Fourchon is looked upon as really one of
6 the major logistical hubs for service, for rigs and
7 oil and gas exploration in the Gulf of Mexico. Those
8 investments and those activities have had a dramatic
9 decline and not only has Fourchon been impacted by
10 that many of our River Parishes and a number of
11 parishes, bayou parishes, Houma/Terrebonne area have
12 been impacted by that. And the idea of a closer
13 proximity logistical hub for a service of rigs in the
14 Gulf, like I said, has diminished in importance at
15 this time.

16 MR. REINE:

17 Thank you.

18 MR. JACKSON:

19 Any other questions? (No response.) Is there
20 any other business?

21 MS. GUESS:

22 This is an update of the piggyback loan, the
23 SSBCI update that the Secretary gave. Today is the
24 day that we will be pushing the button for the SSBCI
25 application. The due date is on Saturday, December

1 the 11th. So we will be submitting what is our
2 initial or preliminary application to the feds so
3 that they'll know that we intend to have a completed
4 application by the deadline which is February of next
5 year, February 11th. One of the things that the
6 application will submit will have what our intended
7 or proposed allocations for the distribution of the
8 dollars that we'll be receiving.

9 Just to back up for one point, the majority of
10 the funds that we had deployed, we had 13 million
11 dollars to deploy, allocated, we were heavily on the
12 debt program side with very little going to the
13 venture side. This application that we will be
14 submitting will be the reverse. Based on market
15 needs for the time period now and the market needs
16 where we were in 2011, this application will make
17 that reflection. Having said that, the thing we've
18 been talking about this for months and I've seen the
19 excitement with all the Board Member's enthusiasm was
20 when we're going to go forward.

21 We will be engaging our Policy Committee within
22 the upcoming month of January to try to meet our
23 February deadline. As we mentioned to you several --
24 over the last few months, the programs that we'll be
25 looking at is a collateral support program. We'll be

1 looking at a modification to our Micro Loan Program
2 and also to our guarantee loan program and also some
3 modifications to our venture capital program. At
4 this present time we're still trying to figure out
5 how that's going to look, but it won't be presented
6 to you as a policy committee and then eventually come
7 to the board.

8 One of the things that all of the pockets of the
9 programs that I've just mentioned will be a heavy
10 concentration as per treasury guidelines for the
11 small and emerging disadvantaged businesses. That is
12 the overarching theme of the SSBCI 2.0, to make sure
13 that those that have the inability to access capital
14 in all forms, either venture or within that debt
15 program, will be afforded the opportunity to
16 participate under 2.0. We reached out to our
17 stakeholders from the redos to the other
18 entrepreneurs, our venture capital firms, the
19 Louisiana Bankers Association, the local Chambers of
20 Commerce, the (inaudible) centers around the State,
21 our angel investor groups to come up with the
22 feedback -- to gather feedback from them as to the
23 allocation of what we see the funds will be utilized
24 for.

25 So keep your calendars current. The month of

1 January we'll be a little busy on our side and
2 sending you communications for possible policy
3 committee meetings that will be outside of the board
4 meetings. They're all open meeting so we have to
5 make sure that we adhere to open meetings laws so
6 we'll be keeping you abreast as to when these
7 meetings can be scheduled. So Ms. Simmons will be
8 giving you calls or e-mailing to ask for your
9 availability for us to schedule those meetings. And
10 I'll answer any further questions you may have.

11 MR. JACKSON:

12 Questions? Ms. Raney, did you have anything?

13 MS. RANEY:

14 I did not have anything to add to SSBCI
15 allocation.

16 MR. JACKSON:

17 Anything else? Any other business; did you have
18 anything?

19 MS. RANEY:

20 I can give you a year-end update on the loan
21 portfolio guarantee program if we're finished with
22 SSBCI portion, if that's okay with the Board. Since
23 Mr. Adler asked about that, our Small Business Loan
24 Guarantee Program, our portfolio of loans set an
25 aside for that and the portfolio of loans actually

1 portfolio does not (inaudible) of LEDC Board but may
2 of you may remember the Loan Portfolio Guarantee
3 Program that rolled out last year at the beginning of
4 COVID on April the 1st.

5 So currently the portfolio has four loans that
6 are past due, average of 12 days. The longest past
7 due is 74 days and the current outstanding balance of
8 that portfolio is roughly \$2.65 million. There is
9 one loan that is currently in deferment and will that
10 is to end on December the 9th. I'm happy to answer
11 any questions about the Loan Portfolio Guarantee
12 Program.

13 MR. JACKSON:

14 You said the average was 12 days past due with
15 one of them was 74.

16 MS. RANEY:

17 So the longest past due of the four is 74. So
18 the remaining three the average is 12 once we take
19 out that outlier, that's the four. Yes, sir.

20 MR. JACKSON:

21 I see. Okay. All right. Any other questions?

22 MR. REINE:

23 Mr. Acting Chairman, maybe you want to remind
24 each of the board members that we're required to do
25 financial disclosure and have ethics in harassment

1 training and I think they're due by the end of the
2 year.

3 MS. RANEY:

4 Yes, sir. I was going to just add that comment.
5 So thank you, Mr. Reine, for doing that.

6 MR. REINE:

7 I don't want a phone call or a letter from the
8 Ethics Board.

9 MR. JACKSON:

10 Yes. The training on both modules are due in
11 the next three weeks. The financial disclosure is
12 May 15th so you've got a little bit more time on
13 that. Okay. If there are no other questions then
14 I'll entertain a motion to adjourn.

15 MR. SIMPSON:

16 Motion to adjourn.

17 MR. GEORGE:

18 Second.

19 MR. JACKSON:

20 All in favor say "Aye".

21 (All members respond.)

22

23 (The meeting adjourned at 10:20 a.m.)

24

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REPORTER'S PAGE

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