

STATE OF LOUISIANA
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
BEING HELD ON THURSDAY, JANUARY 12, 2023
AT THE LASALLE BUILDING
617 North Third Street, FLOOR 1, LABELLE ROOM
Baton Rouge, Louisiana

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

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1 APPEARANCES:

2 BOARD MEMBERS PRESENT:

3 CHAIRMAN A.J. ROY, III

4 CHARLES E. JACKSON, III

5 ANDY L. ADLER

6 CAL SIMPSON

7 LOUIS REINE

8 BRAD LAMBERT, DESIGNEE FOR SECRETARY DON PIERSON

9 OLUWASUYI E. GEORGEWILL

10 NORISHA K. GLOVER

11 STEPHEN P. DAVID, JR.

12 STAFF MEMBERS PRESENT:

13 LETICIA JOHNSON

14 MARISSA DOIN

15 SHAMELDA PETE

16 KELLY A. RANEY

17 BRENDA GUESS

18 DEBORAH SIMMONS

19 OLEVIA SHARBAUGH

20 MAKESHA JUDSON

21 ANNE VILLA

22 STEPHANIE LEGRANDE

23 SUSAN BIGNER

24 CRYSTAL DALGO

25 LAURA WOMACK

1 APPEARANCES CONTINUED:

2 TEDRA CHEATHAM

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15 REPORTED BY: KELLY S. PERRIN, CCR

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P R O C E E D I N G S

CHAIRMAN ROY:

Good morning. It's 9:30, so we'll call the meeting to order. Roll call, please?

MS. SIMMONS:

A. J. Roy?

CHAIRMAN ROY:

Here.

MS. SIMMONS:

Louis Reine?

MR. REINE:

Here.

MS. SIMMONS:

Cal Simpson?

MR. SIMPSON:

Here.

MS. SIMMONS:

Charles Jackson?

MR. JACKSON:

Here.

MS. SIMMONS:

Brad Lambert?

MR. LAMBERT:

Here.

MS. SIMMONS:

1 Andy Adler?

2 MR. ADLER:

3 Here.

4 MS. SIMMONS:

5 Norisha Glover?

6 (No response.)

7 MS. SIMMONS:

8 Stephen David?

9 MR. DAVID:

10 Here.

11 MS. SIMMONS:

12 Suyi Georgewill?

13 MR. GEORGEWILL:

14 Here.

15 MS. SIMMONS:

16 We have a quorum.

17 CHAIRMAN ROY:

18 Very good. Welcome to the meeting. We
19 have a short but exciting meeting and I'll ask
20 everybody to please silence their devices.

21 The first order of business is the approval of
22 the minutes from November the 10th.

23 MR. SIMPSON:

24 So moved.

25 CHAIRMAN ROY:

1 Motion. And a second?

2 MR. JACKSON:

3 Second.

4 CHAIRMAN ROY:

5 Any discussion?

6 Hearing none, all in favor, aye?

7 (AYES BY ALL)

8 CHAIRMAN ROY:

9 All opposed, nay?

10 Without objection.

11 Moving on, the Treasurer's Report, Ms.

12 Villa?

13 MS. VILLA:

14 Good morning. We have the LEDC Secretary
15 Treasurer's Reporter as of January 5th, 2023
16 for FY '23. Summery page, you have an FY '23
17 budget of \$17,531.055. And we have approved
18 projected expenditures of \$3,600,000. And
19 that will give us a balance of \$13,931.055.
20 And we currently have projects under review of
21 \$2,575,000.

22 You go down to the next page, that's just
23 a summary of our financial assistance. The
24 State's Small Business Credit Initiative
25 Program, as you know, we have been waiting for

1 the funding to come through from Treasury, and
2 that did occur in December; however, we do not
3 go to the Joint Legislative Committee on the
4 budget until next Friday, of which time we are
5 seeking the appropriation authority to place
6 it into our FY '23 budget. So we expect that
7 to get approved with no problem, probably lots
8 of questions, but no problem. That will be on
9 the Secretary Treasurer's Report next month
10 when we meet.

11 We go down to the -- and we did receive
12 first tranche, I might add. If you go down to
13 the next page is the detail of our Capital
14 Outlay Appropriation as well for the EDAP
15 Program as well for the EDRED Program. And,
16 currently, our budget for those programs is
17 \$17,341,055, and our projects that have been
18 approved for the ones listed there for
19 \$3,600,000 for this fiscal year, which leaves
20 a projected balance of \$13,741,055. We do
21 have projects under review that are listed
22 there. It's about six projects. And that's
23 going to give you a balance of \$2,575,000,
24 which leaves a projected year-end balance of
25 \$11,166,055.

1 Then on to the next page, it's
2 intentionally blank, I believe.

3 And then, you go to the final page in
4 which is our Fund Balances. And so the
5 projection for FY '23 is to have an available
6 fund balance of \$40,525,179, and the total
7 expenditures of \$17,324,682 for the project
8 commitments, which leaves us with a balance of
9 \$23,200,497.

10 Have any questions regarding the
11 Secretary Treasurer's Report?

12 CHAIRMAN ROY:

13 Questions? Comments?

14 Questions or comments from the public?

15 Hearing none, I'll entertain a motion to
16 approve.

17 MR. JACKSON:

18 So moved.

19 MR. GEORGEWILL:

20 Second.

21 CHAIRMAN ROY:

22 Motion and second. Do we have any
23 discussion?

24 Hearing none, all in favor, aye?

25 (AYES BY ALL.)

1 CHAIRMAN ROY:

2 All opposed, nay? Without objection.

3 Thank you, Ms. Villa.

4 MS. VILLA:

5 Thank you.

6 CHAIRMAN ROY:

7 All right. Moving along, Ms. Dalgo, the
8 Accountant's Report?

9 MS. DALGO:

10 Hello. Good morning.

11 CHAIRMAN ROY:

12 Good morning.

13 MS. DALGO:

14 Hi, I'm Crystal Dalgo, and I'll be
15 presenting to you the LEDC Accountant Status
16 Report. Let's see, for the SSBCI 1.0
17 Guaranteed Loan Portfolio is as of November
18 30th, 2022, it consists of 13 loans. And the
19 portfolio totals \$2,871,697. All loans are
20 current. And the allowance for the SSBCI 1.0
21 Guaranteed Loan Loss is set at 18 percent and
22 totals \$516,905.

23 And moving to the second page, we now
24 have the EDAP Loan Portfolio. This is going
25 to show two additional EDAP Loans that we have

1 added to the portfolio. The portfolio is as
2 of December 31st, 2022, it totals \$3,079,540.
3 It consists of Forum, which is St. Martin
4 Parish; North Webster Parish, which is
5 IntegriCo Composites; and then the City of
6 Bastrop and Town of Vivian that is on there.
7 The allowance is set at 15 percent and totals
8 \$461,931.

9 And then on the last page, we have the
10 LEDC Funds Guaranteed Loan Portfolio. It
11 consist of the two loans. And as of November
12 30th, 2022, it totaled \$1,369,456. The
13 allowance is set at 18 percent and totals
14 \$246,502.

15 And that completes my report. Are there
16 any questions?

17 CHAIRMAN ROY:

18 Any questions or comments from the Board?

19 All right. Any comments or questions
20 from the public?

21 Hearing none, I'll entertain a motion to
22 approval.

23 MR. DAVID:

24 So moved.

25 MR. GEORGEWILL:

1 Second.

2 CHAIRMAN ROY:

3 Motion to approve. There's a second I
4 heard. Any other discussion?

5 Hearing none, all in favor, aye?

6 (AYES BY ALL.)

7 CHAIRMAN ROY:

8 All opposed, nay? Without objection.

9 Thank y'all.

10 MS. DALGO:

11 Thank you.

12 CHAIRMAN ROY:

13 This is a simple meeting. All right.

14 And we have Mr. Lambert with us to give us the
15 Secretary Treasurer's Report -- or that would
16 be the President's Report.

17 MR. LAMBERT:

18 Yes. Good morning. Happy 2023 to
19 everybody. Hope you all had a good holiday
20 seasons. December of 2022 did not really slow
21 down for LED. In addition to the welcome
22 funding news on the SSBCI as Undersecretary
23 Villa mentioned, there were five project
24 announcements in five different parishes
25 throughout the month. We started on

1 December 2nd with Aquaspersions, a British
2 manufacturer, announced at least a
3 \$7.5 million investment in St. Martin. That's
4 to establish a PPE supply chain base and
5 created 25 new jobs.

6 On December 12th, something that received
7 a pretty good amount of attention when the
8 governor went down to the Port of New Orleans
9 to announce a public/private partnership
10 between the State, the Port of New Orleans,
11 and two global maritime firms to build a \$1.8
12 billion container facility on the lower
13 Mississippi in St. Bernard Parish. It has
14 been something that's been talked about for a
15 long time, but it's a very positive movement
16 on that. And I think the Port of New Orleans
17 believes it needs to capitalize on some of the
18 container activity that may be going on in the
19 Port of Mobile and Port of Galveston. So it
20 should position the Port of New Orleans in a
21 better place.

22 December 16th, RoyOMartin announced a
23 nine-and-a-half-million-dollar investment in
24 equipment and technology upgrades in
25 Natchitoches Parish, their lumber mill there.

1 It's going to retain almost 700 existing jobs
2 through 2035.

3 December 22nd, a few days before
4 Christmas, Great Southern Wood announced a
5 nearly six-million-dollar expansion at its
6 Mansura lumber facility there in Avoyelles
7 Parish. It's going to install four new
8 production lines, create 25 new jobs, and
9 retain 79 existing jobs.

10 And then finally at the, between
11 Christmas and New Year's, December 28th, a
12 technology firm Accela specializes in
13 artificial intelligence and other kind of IT
14 systems announced it was establishing a talent
15 pub in New Orleans. It's going to create
16 about 150 new jobs with an annual payroll of
17 \$21 million over the next five years.

18 And then we have the news yesterday,
19 Niagara Bottling, one of the nation's leading
20 beverage manufacturers announced plans to
21 invest up to \$160 million to establish a new
22 production facility near Hammond in Tangipahoa
23 Parish. That's going to result in 70 new jobs
24 at an average salary of about \$55,000.

25 So we ended 2022 on a pretty busy note

1 for the month of December. The Niagara
2 announcement kind of jumped started 2023,
3 getting us off to a good start this year.
4 Just a couple other thoughts, the kind of
5 energy transition, energy admission activities
6 remain very busy, have had meetings with two
7 different carbon capture entities over the
8 last two weeks, and we know that April the
9 10th is going to be here before we know it,
10 and that's the regular -- start of the regular
11 legislative session. It's a fiscal only
12 session in an election year, but a surplus has
13 already been recognized for the prior fiscal
14 year that the Legislature is going to have to
15 place those surplus dollars. And additional
16 revenue has been recognized for the current
17 fiscal year.

18 So those additional --
19 additionally-recognized dollars are going to
20 have to be placed throughout the budget. So
21 there's a somewhat much different position
22 than the very first year of this
23 administration with a \$2 billion deficit that
24 was kind of assumed and worked through that.
25 And I think Governor Edwards has said on his

1 radio show last month that he thinks he's
2 going to leave the fiscal status of the State
3 in a much better posture than he found it.

4 So that's kind of where we are. A lot of
5 things going on. Again, a lot of excitement
6 around the SSBCI dollars and going before
7 Joint Legislative Committee on the budget next
8 Friday to recognize that first tranche and,
9 hopefully, begin to push those dollars out, as
10 this board has kind of given LED the ability
11 to do that. So we thank you for that, thank
12 you for that permission and confidence and we
13 look forward to having a very busy 2023 with
14 everyone.

15 I'll be happy to answer any questions if
16 anyone has any. I'll try my best to do that.
17 So thank you guys very much.

18 CHAIRMAN ROY:

19 Thank you, Mr. Lambert. Any questions,
20 comments?

21 MR. REINE:

22 Yeah. And I don't know if you know this,
23 I think I recall that there were some
24 regulations that are on those containers that
25 a percentage per year were going to distribute

1 it within a country, which would have to be
2 distributed with the -- maybe the United
3 States and flying their flag and it's supposed
4 to be like 10 percent a year. Are you aware
5 of any of that?

6 MR. LAMBERT:

7 I think through some of the Federal
8 Legislation that has been passed by the Biden
9 Administration over the last, say, 14 months,
10 starting with the Bipartisan Infrastructure
11 Law in November of 2021, the CHIPS Act, I
12 believe last June, the Inflation Reduction Act
13 in last August, there are some Made in America
14 provisions, I think, specifically around the
15 electric vehicles or batteries or solar parts.
16 I mean, I think -- there was a huge
17 announcement yesterday by a Korean company, I
18 think two and a half billion dollars in the
19 State of Georgia for a solar plant, but parts;
20 not the panels, but the parts for the panels.
21 And that announcement kind of alluded to the
22 fact that of these Made in America provisions,
23 and that was one of the reasons the South
24 Korean investment was coming to the State of
25 Georgia to qualify for some of the incentives

1 or credits in both the Bipartisan
2 Infrastructure Law and Inflation Reduction
3 Act.

4 MR. REINE:

5 This requirement of the ships flying an
6 America flag was previous to all of this, it
7 was all the way back to when Avondale shut
8 down?

9 MR. LAMBERT:

10 I think --

11 MR. REINE:

12 I was just wondering if there was -- if
13 it was still going to be a requirement for the
14 distribution of those containers and if y'all
15 had any idea how we were progressing along
16 with having the ships American-made to fill
17 those requirements.

18 MR. LAMBERT:

19 I think there's been a lot of talk about
20 the Jones Act. You know, that is a -- I think
21 it goes back to the 1930s law. It's got to be
22 American flag ships going into American flag
23 ports. And it's specifically around the
24 potential for offshore wind and the need
25 for -- I know there's an offshore wind vessel

1 that's being built in Corpus Christi right
2 now. And there -- Port Fourchon has really
3 been trying to get ready for the offshore wind
4 potentially. There will be a lease sale in
5 the Gulf of Mexico for offshore wind,
6 hopefully, by June of this year.

7 But, yeah, those Jones Act provisions are
8 still -- still in place. And I think
9 Congressman Graves may have reintroduced the
10 Bill yesterday or the day before in Congress,
11 specifically about American-made vessels and
12 some of the energy transition work going on.
13 But I haven't been intimately involved in
14 everything that the Port of New Orleans has
15 been trying to position for, but I know they
16 felt though the big driver for that facility,
17 that new facility down in St. Bernard was
18 really containers and the ability to move them
19 easier than maybe coming up by the Crescent
20 City Connection to the actual Port of New
21 Orleans facility where it is currently now.

22 MR. REINE:

23 Thank you.

24 CHAIRMAN ROY:

25 Any other questions? Yes, sir?

1 MR. DAVID:

2 Brad, good question. Considering current
3 economic, you know, conditions and future
4 admins, how do we feel this is going to react
5 going forward?

6 MR. LAMBERT:

7 I think you've seen the Advocate has for
8 the last couple of years kind of sponsored an
9 economic outlook at the beginning of the last
10 couple of years. I think they've had ones in
11 Baton Rouge, New Orleans, and Lafayette over
12 the last week or so. And inflation has been
13 mentioned, I think, by some of the kind of
14 local business leaders that have been on those
15 panels. If -- I think the print for CPI this
16 morning was within expectations and it was
17 lower that showed down again for the last
18 couple of months. Inflation kind of has been
19 ticking downward.

20 There's still been some pretty, I think,
21 forceful comments by the Fed members of its
22 two percent inflation goal, and they seem to
23 be stinging up pretty hard. I think Chair
24 Powell was in Stockholm a few days ago and
25 made some remarks. I think Bostick on Monday

1 of the Atlanta Fed was maybe the most
2 aggressive. I think you've seen the Secretary
3 Wilson at DOTD allude to some of the
4 transportation projects that are kind of in
5 the pipeline that the inflationary factors are
6 kind of driving up the prices of some of those
7 transportation projects.

8 So it is something that I think that deal
9 with those types of larger projects or larger
10 spans that you definitely have to be aware of
11 it and your costs and your business and your
12 construction plan. And but, again, we -- like
13 I said, I've met with two carbon, two
14 different carbon capture companies over the
15 last two weeks, and they're going forward and
16 they like the higher incentives and the
17 Inflation Reduction Act for these activities,
18 the 45Q tax credit. And this is -- this
19 industrial decarbonization, I think, is going
20 to drive a lot of investment, and you know,
21 it's kind of well sites, pipelines, geologic
22 sinks. And you add the capital up and the
23 capital is pretty significant dollars.

24 And those are good things for the State
25 and how the Climate Action Plan, the fact that

1 we have one, it's coming up on its kind of
2 first-year anniversary. And the work the
3 Governor has done and a lot of us have done, I
4 think, have positioned the State really well
5 for that activity, whether it's carbon
6 capture, whether it's hydrogen as an
7 alternative fuel to again go into the
8 industrial decarbonization piece or this
9 potential of offshore wind in the Gulf of
10 Mexico and getting maybe by 2030, getting some
11 turbines out there and maybe, you know, green
12 hydrogen to power the turbines and you create
13 this kind of no emission energy and that could
14 be something very, very conducive for the
15 State.

16 MR. DAVID:

17 I appreciate it, Brad. As a lot of these
18 bankers in the panel know, a lot of our
19 clients are kind of sitting on the sidelines
20 in 2023.

21 MR. LAMBERT:

22 Certainly.

23 MR. DAVID:

24 And a lot of these deals that y'all bring
25 in give our customers' businesses what's

1 right, and it gets them off the sideline and
2 creates more investments, so good work.

3 MR. LAMBERT:

4 Yeah. I mean, again, hopefully, if the
5 monetary work that the Feds is doing and
6 continue to bring inflation kind of more in
7 line with its expectations. I don't know if
8 two percent inflation is -- I've heard a lot
9 of commentary say three to four percent
10 inflation is not too bad either as long as we
11 can continue to have a pretty robust jobs
12 market. And the jobs market has been really
13 holding its own in a good place nationally and
14 in Louisiana. I think for a couple of months
15 in a row now, the State has achieved its
16 lowest unemployment rate that it's ever
17 achieved. I think maybe November is the
18 latest data of 2.9 percent of unemployment
19 rate.

20 It's really kind of almost hard to get
21 your arms around. We'll take it for sure. No
22 one's -- no one's having parades or
23 celebrations. We know that there's still a
24 lot of work to be done and we will continue to
25 do that and provide jobs and economic

1 opportunities for our workers and our
2 businesses.

3 CHAIRMAN ROY:

4 Any other questions or comments?

5 Question or comments from the public?

6 A wealth of information. Thank you. All
7 right.

8 All right. Moving along, the next order
9 of business is the election of officers.

10 MR. REINE:

11 I nominate you.

12 CHAIRMAN ROY:

13 Sir?

14 MR. DAVID:

15 I second.

16 MR. JACKSON:

17 Move to close.

18 CHAIRMAN ROY:

19 We usually step out for that. Is there
20 any objection? Does anyone else want to be
21 nominated?

22 All right. Thank you very much. I
23 appreciate it. All in favor, aye?

24 (AYES BY ALL.)

25 CHAIRMAN ROY:

1 All opposed, nay. Without objection,
2 thank you very much. I appreciate your
3 confidence.

4 MR. REINE:

5 Thank you for doing it.

6 CHAIRMAN ROY:

7 Vice Chairman?

8 I'll nominate Mr. Jackson.

9 MR. REINE:

10 I'll second. Move that the nominations
11 be closed.

12 CHAIRMAN ROY:

13 All right. Is there a second for that?

14 MR. DAVID:

15 Second.

16 CHAIRMAN ROY:

17 All right. Any discussion?

18 Hearing none, all in favor, aye?

19 (AYES BY ALL.)

20 CHAIRMAN ROY:

21 All opposed, nay? Without objection.

22 MR. JACKSON:

23 Thank you very much.

24 MR. REINE:

25 Congratulations.

1 CHAIRMAN ROY:

2 I know that -- I hope I know -- you're
3 coming down good.

4 MS. GUESS:

5 Okay.

6 CHAIRMAN ROY:

7 I think you were about to answer my
8 question. I know we have -- Anne, obviously,
9 told some about SSBCI, but I think there's
10 probably more you perhaps can share and we
11 would love to hear more about where we go from
12 here. I don't want to take things out of
13 order, but we're going to Techstars is, I
14 assume, next?

15 MS. GUESS:

16 That's correct.

17 CHAIRMAN ROY:

18 And then perhaps a little bit more on
19 SSBCI, is that in order?

20 MS. GUESS:

21 That's correct.

22 CHAIRMAN ROY:

23 Okay. Thank you.

24 MS. GUESS:

25 Well, good morning, everyone. Just for

1 the record, I'm Brenda Guess, Assistant
2 Secretary of LED. And as Mr. Lambert
3 mentioned and alluded to this morning, it's
4 been a busy day -- or year for LED; not only
5 do we have the excitement of SSBCI, but we
6 also have an opportunity that I think that the
7 corporation was, I think, built for in that we
8 are looking to link some type of advancements
9 in handling and setting forth the expectations
10 for increasing our ecosystem within the State
11 of Louisiana.

12 I have with me, who will be making a
13 presentation as well, probably the majority of
14 it for the details is Mr. Joe Sanchez --
15 MR. SANCHEZ:

16 Good morning, everyone.

17 MS. GUESS:

18 -- with Techstars. Techstars is a global
19 investment business that started in Boulder,
20 Colorado that provides access to capital,
21 one-on-one mentorship, and a worldwide network
22 of customized programming for early-stage
23 entrepreneurs to establish accelerators. As
24 we would have in our discussions, and I think
25 those of us, we sort of know what an

1 accelerator is, but we more so know what an
2 incubator is.

3 And for the purposes of making a
4 distinction, accelerators are purposely
5 designed for startup companies in most cases
6 and even those in the later stage whose
7 development falls somewhere between the idea
8 and the growth stages. Startups will be
9 selected to participate who will have a
10 minimum viable product, if possible, and may
11 have formed a prototype of this particular
12 product. They are looking at the advantages
13 of that would be have a mentorship program
14 that will be provided to the word that's used
15 in the industry, our founders. We would call
16 them basically companies that would be housed
17 in the accelerator and the accelerator would
18 not be for a very, very long time.

19 As for an incubator, incubator is more so
20 just that, to give businesses their sea legs,
21 if you will, so that they can get a great
22 start. But before we -- and how we got to
23 where we are, with looking at what Techstars
24 was asking us to -- or we looked and found
25 them to find out about our partnership. Back

1 up two years ago when we were looking at
2 our -- determining what our application was
3 going to be for SSBCI, and knowing that
4 identifying what were the missing pieces
5 within the State that would help us to grow
6 that we needed to help grow our ecosystem. So
7 we have grandiose ideas of utilizing SSBCI
8 dollars for this purpose until we got the
9 guidelines. You know, they always say the
10 devil is in the details.

11 When we got the details from the federal
12 government, we were -- we found out at that
13 time that the utilization of funds for the
14 development of incubators -- I'm sorry,
15 accelerators would not be allowed for the use
16 of SSBCI dollars. We then were made aware of
17 a partnership that took place between
18 Techstars and JP Morgan for the naming of nine
19 additional cities across the United States.
20 And our own New Orleans was one of those nine
21 that was chosen for the formation of an
22 accelerator. The ask when looking at joining
23 with JP Morgan is not a heavy lift. You know,
24 after knowing what JP Morgan does, what it
25 stands for, we were looking at doing a

1 two-to-one match for the dollars for this
2 formation of an incubator.

3 With that, I think that we know that
4 within the LED statute and for the dollars
5 that we have from our investments from years
6 passed, and you may recall we've had some
7 recent successes for return on our investments
8 from our venture partnerships with firms
9 throughout the years and throughout the state,
10 the source of funds will be to put those
11 dollars back into the system in a manner that
12 we've probably not gone through before, but we
13 think that it's a worthwhile investment.

14 And with that, Joe, I'm going to ask you
15 to give the details of the Techstars and hope
16 I did okay.

17 MR. SANCHEZ:

18 Thank you so much. That was a great
19 introduction.

20 Good morning, ladies and gentlemen.

21 Thank you very much for the invite. My name
22 is Joe Sanchez.

23 MR. REINE:

24 Excuse me, Mr. Sanchez, before you start,
25 how much money are we talking about?

1 MS. GUESS:

2 Oh, I'm sorry, a million dollars.

3 MR. REINE:

4 A million dollars. And it's coming,
5 basically State dollars?

6 MS. GUESS:

7 That's correct.

8 MR. REINE:

9 Thank you.

10 CHAIRMAN ROY:

11 Thank you. Go ahead.

12 MR. SANCHEZ:

13 My name is Joe Sanchez. I'm the Director
14 of partnership from Techstars. We are
15 leading, as Ms. Brenda mentioned, a leading
16 investor in early stage startups. We operate
17 funds and we are operating accelerators based
18 out of Boulder, Colorado. We've been doing
19 business since 2007. And our forte is really
20 accelerating those businesses, those startups
21 that are in the early stage to gain access to
22 mentorship. These are mentor-driven programs,
23 and they take a variety of forms, but I don't
24 want to go too far out of scope from this
25 conversation.

1 What we're talking about here is a joint
2 partnership between Techstars, JP Morgan, and
3 LED. And the way this came to fruition is
4 Techstars raised an \$8 million fund through JP
5 Morgan's private wealth platform. And the
6 plan is for us to deploy those \$8 million over
7 the course of the next three years and invest
8 in about 400 early stage startups in the nine
9 cities that Ms. Brenda mentioned earlier, of
10 which New Orleans is one of them. And those
11 were chosen because they're diverse and we
12 want to make sure that we grant them
13 opportunity and access to capital to those
14 underrepresented founders or entrepreneurs
15 that had been overlooked by traditional access
16 to capital programs. That will happen over
17 the course of the next three years.

18 In this particular case, we have an
19 innovation partnership in mind. And what that
20 means is in exchange for that million dollars,
21 we will offset some of the expenses needed to
22 run the accelerator program, of which we'll
23 start out by sourcing and creating hundreds,
24 if not thousands of, you know, founders that
25 are ready and at the cusp of acceleration

1 within the State of Louisiana and neighboring
2 communities; right. The goal is for us to
3 arrive to a final set of 12 companies that
4 will participate in the three-month
5 accelerator program that will most likely take
6 place later this year.

7 If everything goes to plan, there will be
8 a ramp up period which JP Morgan, Techstars
9 will definitely raise awareness, you know,
10 nationally, internationally in some cases to
11 make sure that people know entrepreneurs know
12 that, you know, Louisiana is open for
13 business. New Orleans is a great place to
14 join the accelerator and perhaps set up
15 headquarters, create jobs, et cetera, and
16 having a bigger impact. And that's what we do
17 at Techstars, we focus heavily on diversity,
18 equity inclusion, and, you know, that's how
19 we've built our business over the past, you
20 know, several years.

21 To give you an idea, we run 54
22 accelerators locally. We have 17 city
23 programs, key cities in the United States
24 where our fund -- which are funded from our
25 own fund. Techstars has its own fund. And we

1 see consortium partner, simulation partner,
2 and they help us cover those expenses. In the
3 end, all we want to do is, you know, balance
4 that innovative spirit with return on
5 investment. At the end of the day, you know,
6 we are for profit, and we believe that
7 providing access to these underrepresented
8 founders is good business, not only for them,
9 for trusting Techstars and with partnering
10 businesses, right, there is an equity
11 component in there but also partnerships that
12 we seek that will grant them access to that
13 acceleration component that I alluded to.

14 We have over 3,500 companies that have
15 graduated from the program over the last -- in
16 15 years. Total raised in that time frame has
17 been about \$21 billion. The average raise for
18 those early stage founders, once they exit an
19 accelerator program or is going to raise about
20 a million dollars on average. Handful of jobs
21 that are created and, ultimately, what we want
22 to do is embed them in those communities where
23 we operate. I will pause there for any needed
24 questions before I continue.

25 MR. JACKSON:

1 Just a couple to make sure I understand.

2 MR. SANCHEZ:

3 Yes.

4 MR. JACKSON:

5 The accelerator program is really more of
6 a service focused on getting a company ready
7 for the next raise or is there an investment
8 into it at that time?

9 MR. SANCHEZ:

10 That's a great question. So there is an
11 investment available to the founder which
12 meets the criteria you need to right the ready
13 for making it big. They have a product. They
14 have customers. But what they need is either
15 connections to other corporate partners,
16 mentorship, capital; right, so they're ready.
17 And there is an investment component on behalf
18 of the fund that I alluded to. And then the
19 service will be the accelerator; meaning, we
20 bring together the mentors, access to capital,
21 a curriculum, and a set of other, you know,
22 best-in-class services to make sure that
23 they're ready within that three-month time
24 frame. And that's --

25 MR. JACKSON:

1 Right. So the portion that we're talking
2 about being involved with is really the --
3 that prep work; it's not the investing?

4 MR. SANCHEZ:

5 Correct. We wanted to make sure that
6 those two --

7 MR. JACKSON:

8 Your fund and other funds invest in after
9 they've come through the --

10 MR. SANCHEZ:

11 They're separate.

12 MR. JACKSON:

13 -- boot camp or whatever?

14 MR. SANCHEZ:

15 You can think of this more as a marketing
16 agreement; right. We want to make sure we
17 raise awareness. We're bringing from the
18 community those aspiring founders locally,
19 right, to make it --

20 MR. JACKSON:

21 Like detailing an automobile before you
22 sell it, right, get it to them cleaned up.
23 All right. Thank you.

24 MR. SANCHEZ:

25 You're welcome. Any other questions?

1 MR. GEORGEWILL:

2 I have a question. Can you hear me fine?

3 MR. SANCHEZ:

4 Sir?

5 MR. GEORGEWILL:

6 Can you hear me fine?

7 MR. SANCHEZ:

8 Yes, sir.

9 MR. GEORGEWILL:

10 What about now?

11 MR. SANCHEZ:

12 Better.

13 MR. GEORGEWILL:

14 Awesome.

15 MR. SANCHEZ:

16 Much better.

17 MR. GEORGEWILL:

18 Hey, thanks for, obviously, choosing the
19 State of Louisiana. I guess my first question
20 is, I guess the outlet, is that -- do you have
21 any details on outlets specifically; is that
22 the --

23 MR. SANCHEZ:

24 The company that made it big?

25 MR. GEORGEWILL:

1 Yeah.

2 MR. SANCHEZ:

3 All of that, I believe is in the --

4 MR. GEORGEWILL:

5 Maybe monitor process?

6 MR. SANCHEZ:

7 Yes, correct. It's security-related
8 technology.

9 MR. GEORGEWILL:

10 Awesome. Awesome. I guess my next
11 question is, administratively, right, what are
12 y'all's administrative costs as it presents to
13 expenditures overall? How much of this goes
14 directly to founders specifically or what are
15 the overhead costs of this company?

16 MR. SANCHEZ:

17 Right. So I'll speak in general terms,
18 and once again, I want to keep it to relation
19 partnership, right. So the business model is
20 the following: So an accelerator program is,
21 to use round numbers, about \$3 million; \$3
22 million of which between one and a half and \$2
23 million go directly towards the founders,
24 \$20,000 upfront in exchange for six percent
25 equity, and an option to convert of a loan of

1 \$100,000, okay; that if they were to take it,
2 transmit to about eight/eight and a
3 half percent equity position in that startup.
4 The other million dollars is what goes towards
5 the expense of running the accelerator, which
6 is salaries for the managing directors, the
7 supporting staff, the shared office space, and
8 other technology expenditures, travel, et
9 cetera to make sure that we bring the cohort
10 together and set them up for success. So a
11 million dollars.

12 MR. GEORGEWILL:

13 Okay. So administrative budget is about
14 \$3 million. And about \$1 million of that
15 is --

16 MR. SANCHEZ:

17 Right.

18 MR. GEORGEWILL:

19 -- committed --

20 MR. SANCHEZ:

21 Correct.

22 MR. GEORGEWILL:

23 -- overhead costs?

24 MR. SANCHEZ:

25 Correct.

1 MR. GEORGEWILL:

2 Okay.

3 MR. DAVID:

4 I have a question. For this million
5 dollars that we have, is it earmarked for
6 Louisiana businesses?

7 MR. SANCHEZ:

8 It's earmarked for Louisiana primarily.
9 Now, there's always the optionality to recruit
10 from neighboring areas, right. And the reason
11 we ask for that is because what if there's not
12 enough, you know, startups, founders ready
13 within the State of Louisiana to have a solid
14 cohort that will ultimately yield, you know, a
15 great benefit impact for the funds.

16 MR. DAVID:

17 Okay. And I see how y'all recruit and go
18 to different conferences and whatnot.

19 MR. SANCHEZ:

20 Yes, sir.

21 MR. DAVID:

22 When you take it in the process and you
23 say you meet, how do you meet? Do you meet
24 through Zoom, in person, or?

25 MR. SANCHEZ:

1 The actual delivery of the program?

2 MR. DAVID:

3 Correct.

4 MR. SANCHEZ:

5 COVID taught us a lot, right. So we now
6 have hybrid programs in which it's primarily
7 delivered virtually with some in-person events
8 whether it's ask me anything, we like to refer
9 to them as AMAs. We have meetings with
10 investors, potential investors. We have
11 meetings with potential corporate partners.
12 So all of that can take place in a hybrid
13 format. It just depends on the preference of
14 our partners.

15 In this case, LED, we would work closely
16 with the LED to make sure that we have the
17 right combination. And the purpose for it is
18 to broaden that net to make sure that we reach
19 out to as many potential participants as
20 possible.

21 MR. DAVID:

22 And once, I guess, you get to the final
23 20 or final 12, then they probably come to New
24 Orleans and everything done there?

25 MR. SANCHEZ:

1 That's correct. We have those screening
2 committees ready in participation from LED.
3 In this particular case, I believe there's an
4 opportunity to involve GNO or Greater New
5 Orleans, Inc. to make sure that there is input
6 so that we can get tools to all of the
7 participants.

8 MR. DAVID:

9 And, Brenda, I guess at that point, we
10 have someone at LED to kind of, if they're not
11 from here, to kind of help push them towards
12 Louisiana?

13 MS. GUESS:

14 Absolutely. One of the things that we're
15 in the process of doing is we're looking at
16 developing the actual agreement between LED
17 and Techstars and some of the guardrails that
18 we will mention about making sure that the
19 businesses are within Louisiana, the funds go
20 through that as being ironed out.

21 MR. DAVID:

22 Very good. Thank you.

23 MR. SANCHEZ:

24 You're welcome. Great question.

25 MR. DAVID:

1 Yes, sir.

2 MR. REINE:

3 You answered most of them, but you made a
4 statement, create a handful of jobs?

5 MR. SANCHEZ:

6 So, yes, so when it comes to a finite
7 number, we focus on primarily
8 tech-driven-venture-backable businesses,
9 right. So we have organizations with a
10 handful, up to five, the founder, some
11 supporting casts that are, you know,
12 generating in millions in revenue. So these,
13 unlike other industries, where it takes a
14 larger number of individuals to perform that
15 job, we tend to just use a generic, you know,
16 number or description. But that will become
17 more apparent as we go down through the
18 selection process, identify the companies, and
19 then we can say we have a specific founder, a
20 specific company in this particular vertical
21 that has the potential to generate "x" number
22 of jobs in the state, in the city. But that's
23 part of being in the venture world and that
24 goes along during the program. So I couldn't
25 tell you from the onset that this has the

1 potential to generate, you know, "x" number of
2 jobs.

3 MR. REINE:

4 Well, if there is the founder and people
5 in a company, that's a million dollars to
6 create 48 jobs?

7 MR. SANCHEZ:

8 Worst case scenario, but --

9 MR. REINE:

10 Assuming --

11 MR. SANCHEZ:

12 That could be correct. But, once again,
13 we don't know. It could be greater than that.

14 MS. GLOVER:

15 So Norisha Glover speaking. I apologize
16 for my tardiness, six-month vaccines for the
17 daughter today. So a couple questions, I had
18 an opportunity to research you prior to this
19 meeting.

20 MR. SANCHEZ:

21 Yes.

22 MS. GLOVER:

23 And so what I've heard is y'all are doing
24 really great work. A couple of comments and
25 questions. So comment is that I've been a

1 participant in Goldman Sachs 10,000 Small
2 Businesses Program which is based out of New
3 Orleans and focused on the entire state, that
4 program is focused on businesses that already
5 exist and that are growing. And I will say,
6 based on the fact that they are able to have
7 about 40 participants in the program, I'm
8 confident that you can find 12 in the State of
9 Louisiana. And I would like to go on the
10 record, though, we would like -- we recognize
11 that there may be neighboring states that want
12 to participate, and I certainly understand
13 that, because I think we might have had one
14 person in our program, who is commuting from
15 Mississippi, but we certainly have the
16 candidates and the companies inside the State
17 of Louisiana to come to meet that demand.

18 My questions for you are, how many staff
19 members -- and you may have already said some
20 of this earlier in the presentation, I just
21 missed it, how many staff members do you plan
22 to have living in Louisiana? I recognize that
23 the program may be administered hybridly, but
24 how many staff members are living in Louisiana
25 and administering the program in Louisiana?

1 MR. SANCHEZ:

2 Thank you for the question. So to give
3 you a better idea of how these take shape,
4 number one is, you know, solidify the
5 agreement. Once we have the agreement in
6 place, we go and source those key positions.
7 Those key positions are up to five individuals
8 that could be from the local area starting
9 with the managing director and then the
10 supporting cast. So a couple of investment
11 analysts, program manager tech, so I would say
12 for the sake of this question, five
13 individuals. And we go out and we highly
14 prioritize sourcing and recruiting from the
15 local community.

16 As you mentioned, you know, this is a
17 thriving startup community, so we want to make
18 sure we're additive; right. We collaborate
19 with the local ecosystem participants. We
20 would be a great partner for, you know,
21 potential participants from an incubator to be
22 fed into the accelerator. So to answer your
23 question, it's about five individuals to start
24 out. But then ultimately, yes, the bigger
25 impact is how do we get them to stay, how do

1 we get them to develop businesses in the
2 community?

3 MS. GLOVER:

4 Which position is responsible for the
5 recruitment?

6 MR. SANCHEZ:

7 The recruitment of the staff of the
8 accelerator?

9 MS. GLOVER:

10 The recruitment of the candidates to
11 participate in the program.

12 MR. SANCHEZ:

13 It starts out with the managing director.

14 MS. GLOVER:

15 Okay. And so one of the things that I
16 would like to emphasize that we talked about
17 in a lot of our programs is that we get why
18 when you would come to Louisiana that they
19 start with New Orleans; it's easy. This
20 quantity of the population is there. What
21 takes much more effort is to decide that I'm
22 going to drive, call around, meet with other
23 organizations, and try to identify other
24 organizations across the state that would be
25 able to participate in the program. And what

1 happens is, is that people say, yes, we're
2 going to focus on the entire state.

3 And then it is easy to start with the
4 people in New Orleans and then say, well, we
5 didn't really have as many people across the
6 state to participate, and the interest wasn't
7 there. It's not that the interest wasn't
8 there. They just don't have access to the
9 information as readily as the individuals do
10 in New Orleans, and that the rest of the state
11 will never get anywhere close to what New
12 Orleans looks like if our default is always to
13 focus on New Orleans and grab the low-hanging
14 fruit. Now, I understand the desire to grab
15 the low-hanging fruit because you want to come
16 in, you want to show success, you want to
17 continue to partner with LED, and we get that
18 and applaud that, but we want to emphasize the
19 importance of being really intentional about
20 how we reach out to other parts of the state
21 so that they're never going to be New Orleans,
22 but we can surely move closer than where we
23 are right now in terms of supporting other
24 businesses in the state.

25 Within the tech companies that you are --

1 have historically recruited in the past, I'm
2 curious as to kind of what -- people say tech
3 and it's so broad; right. What is kind of the
4 breakdown of what those companies look like?
5 And I'm only going to give you one breakdown
6 that is on my mind right now, and that's
7 artificial intelligence. And that's only
8 because when I looked up many of the companies
9 that y'all highlighted on your website, it
10 looked like many of them were dealing with
11 artificial intelligence. And so kind of what
12 is the breakdown of the types of tech
13 companies that exist within the portfolio that
14 y'all tend to recruit or tend to be successful
15 in the program?

16 MR. SANCHEZ:

17 Yeah, fantastic question. So I will
18 preface that with that is exactly part of the
19 key tasks of the manager director to make sure
20 we establish a thesis, a theme as to what is
21 needed in the local community. Should we go
22 after Health tech, (inaudible) Blockchain,
23 Fintech? Like, what -- where do those
24 efficiencies exist and how can we use this
25 programming in our network to recruit the

1 right mix of startups that can make an impact?
2 So that's how I would ask the question now.

3 Techstars, as a whole, I would say our
4 portfolio has a large concentration of
5 companies like Fintech. And Fintech includes
6 part of AI payments, Blockchain and others;
7 right? But we have programs, you know, that
8 run the gamut; space programming in Los
9 Angeles with NASA, Air Force, JPL. We have a
10 healthcare program with United Healthcare
11 where we have consortium partnerships with
12 Cedars-Sinai. We have a hard tech program in
13 Baltimore, and, of course, our relationship
14 with Alabama Power in Birmingham. So it just
15 depends on where can we agree as a
16 partnership, where should our focus be based
17 on theme, recruitment theme, and investment
18 thesis. Does that answer the question?

19 MS. GLOVER:

20 It does. For the companies that
21 participate in your program, I realize they're
22 getting coached and support during the
23 program.

24 MR. SANCHEZ:

25 Yes.

1 MS. GLOVER:

2 Once they have completed it, what other
3 programming activities exist outside of
4 continual networking events that allow them --
5 that provides additional support they need to
6 continue to grow to the next level?

7 MR. SANCHEZ:

8 I love the question, right, because
9 that's really where the fun begins, the way we
10 see it; right. So the acceleration program,
11 if you really think about it, it is the due
12 diligence process for us. Once they leave
13 program, then they become part of our
14 portfolio services team which provides the
15 support to make sure that they are hiring the
16 right individuals, to make sure that we have
17 the support to help them with business
18 development, select the right technology or
19 platforms, and meetings with investors; right.
20 We have over 20,000 investors in the network,
21 so we have a consistent set of meetings to
22 make sure that they achieve their goals. So,
23 yes, a lot of the heavy lifting comes after
24 the program.

25 MS. GLOVER:

1 Okay. And then, of the participants who
2 have begun with your program, what percentage
3 of them are ultimately funded by investors?

4 MR. SANCHEZ:

5 Ultimately funded by investors, I don't
6 have the exact figure, but I'm trying to draw
7 from one of our latest examples, multiyear
8 program with Barclay that generated about 200
9 companies, 80 percent are still in operation.
10 And I will say roughly 60 to 80 percent went
11 on to be funded post-program.

12 MS. GLOVER:

13 And then kind of in the same vein, of the
14 companies that started with you, how many of
15 them still exist today? What percentage of
16 them still exist today?

17 MR. SANCHEZ:

18 Seventy percent plus, yes.

19 MS. GLOVER:

20 That's all the questions for right now.

21 MR. SANCHEZ:

22 Okay. Thank you.

23 MR. JACKSON:

24 I have one followup.

25 MR. SANCHEZ:

1 Yes?

2 MR. JACKSON:

3 We're talking about 12 companies. We're
4 talking about a three-month program.
5 Essentially, we're talking about a \$3 million
6 program, we're in for a million for a year; is
7 that it? And then we're looking at having to
8 renew or find an alternant funding or? It's a
9 great idea for a year. We've helped 12
10 companies, then what?

11 MS. GUESS:

12 I think at the end of the 12-month
13 period, we do an evaluation. You know,
14 initially going in, that's where we are, just
15 for the 12 months. It may also be tied to,
16 you know, the fact that what JP Morgan is
17 going to do as well. You know, because we
18 can't just fund just off our million dollars
19 again if we so choose to do that, but it will
20 be something that will be evaluated at the end
21 of that 12-month period based on performance,
22 you know, where we are and in the tracking.

23 MR. JACKSON:

24 So it really is kind of a pilot as much
25 as anything at this point?

1 MS. GUESS:

2 Yeah.

3 MR. SANCHEZ:

4 The program in itself, the
5 AdvancingCities Fund in reality is a pilot,
6 right? We want to make sure that this becomes
7 a multiyear engagement.

8 MR. JACKSON:

9 Okay.

10 MR. SANCHEZ:

11 You also make a great point. We cannot
12 be a flash in the pan. There are things that
13 need to occur pre-acceleration and
14 post-acceleration. So part of the
15 recommendation that we will be making is how
16 do we invest in ecosystem development
17 programming, pre-acceleration programming that
18 will increase the probability of being
19 accepted to, not just to Techstars
20 accelerator, but any other in the area; right.
21 And those are programs that are very, very
22 nascent.

23 People that are thinking about becoming
24 an entrepreneur, greater coverage of the State
25 of Louisiana, how do we bring them to the

1 forefront, have them be part of like-minded
2 individual programming to say, yes, you know
3 what, venture entrepreneurship is for me, now
4 what? So we have what we call startup
5 weekends, which are again, these are three-day
6 events in the community to start building that
7 pipeline; eventually, graduating to a
8 pre-accelerator, that's a four-month program.

9 And once again, we focus on those skills
10 that they need in order to sit in front of a
11 VC and say, you know, you should invest in me
12 and this is why. So, absolutely, I love the
13 question because this will be the beginning of
14 something greater that has a true path to
15 success.

16 MR. JACKSON:

17 And I apologize, you did say from the
18 beginning that we were one of six or nine --

19 MR. SANCHEZ:

20 Nine cities.

21 MR. JACKSON:

22 Nine in a program that was testing. So
23 that's the real question. And I guess, at the
24 end of the year, and it's not just on our
25 piece of it, it's really how well all of them

1 do, I guess, that determines where we go from
2 there.

3 MR. SANCHEZ:

4 And this is one relationship, right, one
5 relationship with JP Morgan. I would love to
6 have other, you know, big financial
7 institutions that have D-E -- Diversity,
8 Equity, and Inclusion mandates, which is how
9 this really was born, and make sure that we
10 work hard as far as raising these amounts of
11 dollars to make sure that we make a true
12 impact. So, number one, this is one of
13 several.

14 The other opportunity here is Techstars;
15 right. We, on a continuous basis, raise
16 funds. We're in the process of raising our
17 own TSB 24 Fund, which is going to be
18 approximately \$200 million that is going to be
19 directed towards our city program. So, again,
20 it doesn't begin and end with JP Morgan. This
21 is a continuous process. It's just finding
22 the partners like the LED that are willing to
23 partner and raise awareness and help us, you
24 know, make a bigger impact by sourcing and
25 recruiting from the local area.

1 MR. JACKSON:

2 And, Ms. Guess, would it be possible for
3 us to maybe get quarterly updates? They don't
4 have to be real involved, but just how's the
5 program rolling out?

6 MS. GUESS:

7 Absolutely.

8 MR. JACKSON:

9 Obviously, you're going to be doing a big
10 assessment at the end, but just to see if we
11 found more companies so far, or are we already
12 up to 12 or, you know, have we got people
13 hired? Just --

14 MS. GUESS:

15 We will do that.

16 MR. JACKSON:

17 -- something like that once we get final
18 paperwork and all that.

19 MS. GUESS:

20 We've got a -- we'll have a contract
21 monitor outside of our group here and someone
22 withing the Department that will be monitoring
23 the activities as well. And we will be
24 reporting and it is also part of the contract
25 and we will make sure that we get those

1 reports.

2 MR. JACKSON:

3 Okay. Good. This is just like all our
4 other venture projects?

5 MR. SANCHEZ:

6 Yeah. Rest assured, we were using your
7 contract format, you know, with the
8 conversations that we've had, we will have a
9 predefined program, a timeline of those key
10 milestones to your point. If somebody asks a
11 question, then the information is readily
12 available. So, yes, we're looking forward to
13 it.

14 MS. GLOVER:

15 And I know, I'll just say that it will be
16 a monthly update since the program is only
17 three months?

18 MR. SANCHEZ:

19 Well, there's a lot that happens --

20 MS. GUESS:

21 Well --

22 MR. SANCHEZ:

23 It's a year-long engagement --

24 MS. GUESS:

25 -- for a given company.

1 MS. GLOVER:

2 You're right. Okay.

3 MR. SANCHEZ:

4 So you will have updates leading up to
5 the program.

6 MS. GLOVER:

7 So and I think I read this correctly, and
8 again, you probably said this right before I
9 walked in the door, so existing program, the
10 cohorts that you're building right now in the
11 nine cities that you established are focused
12 on diversity, equity, and inclusion; right?

13 MR. SANCHEZ:

14 Diversity, equity, and inclusion refers
15 to the background of the founders. So that
16 was the mandate JP Morgan and Techstars being
17 the funding partner in this program. It was
18 said that 50 percent or more of the founders
19 must have a -- must come from a diverse
20 background.

21 MS. GLOVER:

22 And how is diverse defined?

23 MR. SANCHEZ:

24 Yes, thank you, black, Hispanic,
25 indigenous people of color.

1 MS. GLOVER:

2 Okay.

3 MR. SANCHEZ:

4 But the programs are open to anybody.
5 Anybody can apply. We have programs that
6 specifically focus on stem, and stem, you
7 know, just depends, right? But for this
8 particular program, it was --

9 MS. GLOVER:

10 Fifty percent. Okay. And then the --
11 this is a comment for really the Board to
12 think about but also y'all, so I'm excited
13 about the program, right, envisioning big
14 things are going to happen.

15 MR. SANCHEZ:

16 Yes, ma'am.

17 MS. GLOVER:

18 And I think what would be a tragedy in
19 this whole situation, but I know we also have
20 to take into context of how businesses work,
21 is that we have 12 companies, 10 companies go
22 through this program, they do well, like
23 great, we love your company, come to New York,
24 San Francisco, Dallas, et cetera, to continue
25 to get funding to operate. We have a

1 challenge in Louisiana with companies leaving.
2 We recognize that some of those challenges are
3 of our own creating and we're working on that.
4 But I am going to also ask that you be
5 thoughtful and provide feedback to us about
6 what we can change in our political and state
7 environment that once these companies are
8 created and are getting off the ground and are
9 getting the funding, that they then don't
10 leave Louisiana because that doesn't help us.

11 And I can't see us getting excited. I
12 never want to prevent anybody from starting a
13 business, but I can't see us getting excited
14 about giving a million dollars for us to
15 continuously develop businesses that then
16 leave the state.

17 MR. SANCHEZ:

18 Very valid point. But by the same token,
19 you know, what we try to do is also attract
20 companies, right, from out of state to come to
21 Louisiana. So, yes, it's a collaboration,
22 joint collaboration. And, you know, over the
23 course of many years, we've learned that;
24 right, doing business in Oakland and Detroit
25 and Chicago and other diverse cities. Yes,

1 rest assured that we will bring those
2 recommendations to the table.

3 CHAIRMAN ROY:

4 Any other discussion or questions,
5 comments from the Board?

6 Any questions or comments from the
7 public?

8 Hearing none, what's the pleasure of the
9 Board?

10 MR. SIMPSON:

11 Move to approve.

12 CHAIRMAN ROY:

13 Motion for approval as presented.

14 MR. DAVID:

15 Second.

16 CHAIRMAN ROY:

17 Second. Any other discussion?

18 MR. REINE:

19 Mr. Chairman, I'd like to record to
20 reflect that I abstain from voting.

21 CHAIRMAN ROY:

22 All right. One abstention.

23 All in favor, aye?

24 (AYES BY ALL WITH THE EXCEPTION OF MR.

25 REINE ABSTAINING FROM VOTING.)

1 CHAIRMAN ROY:

2 All opposed, nay. Without objection,
3 congratulations. Great comments, questions,
4 and answers.

5 MR. SANCHEZ:

6 Thank you so much.

7 CHAIRMAN ROY:

8 Please keep us posted.

9 MR. SANCHEZ:

10 I appreciate it. We will.

11 CHAIRMAN ROY:

12 Ms. Guess, do you have anything else to
13 add to the SSBCI?

14 MS. GUESS:

15 Of course.

16 CHAIRMAN ROY:

17 Of course. Very good. We're all ears.

18 MS. GUESS:

19 Well, I know that all of you, and thank
20 you for taking the time to read all of our
21 newsletters that have come out. I'm sure you
22 heard us jumping for joy back in December when
23 we were finally approved by Treasury for our
24 application that took place on December the
25 6th. It was only last week, I believe, that

1 we actually received our first tranche of
2 dollars, as Anne mentioned that it will be
3 shown on our Secretary-Treasurer's report
4 next -- for next month. So we're excited.

5 One of the things that is challenging is
6 that the clock started ticking when we signed
7 the allocation agreement. That's where the
8 real fun begins. You know, we have done a
9 fantastic job with the help of our staff, our
10 LEDC staff with the LED persons who have been
11 going around the state probably for the last
12 year and a half gathering, garnering up
13 support, passing out and giving information to
14 all of those that we are going to participate
15 and will be participating in the program.

16 The latest newsletter that went out on
17 Monday had a listing of our venture and our
18 seed funds and also our micro lenders who will
19 be participating. What we're doing now is to
20 try to get a little bit further along before
21 our launch date, which is going to be
22 April 1st for actual program rollout to where
23 we can have some type of true identification
24 of participating lenders so that we can help
25 those that will be tuning in to our website.

1 They want to know exactly who in my area might
2 be participating in the program, so we are
3 coming up with some ideas internally in
4 working with our communications department so
5 how we can achieve that.

6 The excitement is there. We are hopeful.
7 The phones have not stopped ringing. We've
8 got a website for questions. One of the
9 things that has happened is that as we try to
10 get the lenders involved with the collateral
11 support program and more with the loan
12 guarantee program, as lenders are receiving
13 the newsletters, they're calling, asking for
14 more information on how can I get included.
15 So it's just been a slow process in getting
16 them together, so we will be ready to roll out
17 on April 1st.

18 CHAIRMAN ROY:

19 Is it premature to mention -- and I
20 thought staff, Brenda and I were speaking over
21 phone earlier in the week when she was telling
22 me about an idea staff had and I thought it
23 was really great. Perhaps, the other bankers
24 and those on the Board would like to hear that
25 and where it might go.

1 MS. GUESS:

2 Sure. Okay. And this is also news to
3 Kelly because she has been out of the office
4 and I hadn't had a chance to tell her just
5 yet, but all is well, you know, your preparing
6 staff and I thought about this and I'm going
7 to give them credit, what we were looking at
8 is a possible certification for bankers for
9 participation to say that I am a -- certified
10 might not be the word that we actually settle
11 on, but it will be some type of recognition or
12 a designation that banks can latch on to and
13 say that I am a certified or approved lender
14 of SSBCI for LED through -- for SSBCI
15 participation. And we think that -- we got
16 excited when we talked about it on Monday.
17 And I talked with AJ and he, and his creative
18 marketing hat was put on and we started
19 talking about logos and different things that
20 we could possibly do to get some type of
21 designation.

22 One of the things that we are trying to
23 not have happen is that the -- when we go
24 live, that on the website, when the company
25 goes to the website, and we don't want them to

1 see the language that says any bank in
2 Louisiana can participate. And what we would
3 like to do is to have a bank tied to our
4 website with a possible logo so that they can
5 click on those that are in the area, and then
6 we can update those as we bring other lenders
7 on. We learned during one of our previous
8 programs in our Disaster Loan Program, not
9 really a comparison, because we were talking
10 about the rollout of our Disaster Loan
11 Program, we were also faced with the rollout
12 of more dollars from the federal government
13 for PPP. And banks were just inundated with
14 calls, and they called and asked that they be
15 removed from our website. Well, we don't want
16 that to happen. You know, we want to make
17 sure that we're giving the correct information
18 to the potential borrowers.

19 We've got the venture community that we
20 approved so far, the seed capital community
21 that's been approved, and as I mentioned, the
22 micro lenders. You know, they're all ready,
23 you know, have said, hey, you can announce me.
24 So we just feel like we want to do a little
25 bit more.

1 We set an aggressive date for the end of
2 this month to have this idea fleshed out.
3 I've spoken with our marketing and
4 communications department. I've been going
5 around all week getting everybody excited.
6 And so we're hopeful that we will be able to
7 do that, have the marketing people tell us,
8 yeah, that's -- that might be pretty easy.
9 And we hope that will simplify it. And we
10 want it to be a smooth transition.

11 CHAIRMAN ROY:

12 Very good. Questions? Comments? Yes,
13 ma'am?

14 MS. GLOVER:

15 Well, thank you, Brenda, for your team
16 and everything that y'all have been doing with
17 the SSBCI program. I know people are excited
18 about it. I was even on Instagram and saw
19 someone say, the money is hitting the streets,
20 y'all. And so people are clearly beginning to
21 increase their knowledge on what's taking
22 place.

23 Two things, my first one is, so as I was
24 preparing for the meeting, I was like, wait,
25 is SSBCI not on the agenda? And I see that we

1 are talking about it. I just want to make
2 sure or that I put the request out there that
3 it can be a standing item on the agenda that
4 we are constantly talking about just because
5 there are so many moving parts to it.

6 And then the second thing is, I know a
7 lot of time with these, whenever there is
8 federal money that's going out that sometimes
9 entities that are supporting the work like LED
10 provide technical assistance. Is there
11 technical assistance that's being provided by
12 this and then who are the vendors who are
13 providing that technical assistance?

14 MS. GUESS:

15 There is actually a separate application
16 for technical assistance that was submitted, I
17 want to say, October 14th to Treasury for that
18 technical assistance portion. LE -- Louisiana
19 has been designated about \$3 million in
20 technical assistance. Our application is in
21 process. I've not heard of any other state or
22 territories that have applied for technical
23 assistance where there's been an approval.

24 MS. GLOVER:

25 So if we were to get approved for the

1 \$3 million, LED would then provide that money
2 to which organizations to provide the
3 technical assistance for people who are
4 interested in participating in any of these
5 programs?

6 MS. GUESS:

7 We're going to go through an RFQ process,
8 similar to what we did with the capital
9 buckets, and that's how we're going to tackle
10 that.

11 MS. VILLA:

12 It's very fine -- sorry, you may want to
13 let her know, it's very defined on what the
14 technical assistance dollars can be used for,
15 attorneys, accountants, other type
16 professional services to support their
17 efforts.

18 Did I -- is there anyone else I missed,
19 Kelly or Brenda?

20 MS. GUESS:

21 No, thank you for that. And the other
22 thing is that not only, you know, our \$3
23 million is not a heck of a lot for technical
24 assistance and for usages. And there is
25 always the question of that duplication of

1 benefits. You know, if an SBDC were to apply
2 and throughout the process and be awarded
3 dollars from our technical assistance, they
4 would have to make certain that whatever
5 services that they are looking to perform with
6 those dollars are separate and apart from what
7 they are already doing so that we -- it's a
8 lot of process that we will have to review.

9 But what we also have been doing just
10 recently this -- earlier this week, MBDA
11 announced a \$93 million pot for technical
12 assistance through the U.S. Department of
13 Commerce through Undersecretary Don Cravins,
14 Jr. And so when we are promoting our
15 programs, our technical assistance, our SSBCI,
16 any other sources of federal funding that's
17 out there, we are making certain that the
18 public is made aware. And plus, we have even
19 been told specifically by Treasury, they put
20 out some communications that states aren't
21 allowed to apply for the MBDA funding. So the
22 best that we can do is to drive all those
23 other providers to those additional sources.

24 MS. GLOVER:

25 And so I think it would be helpful if you

1 are able to kind of develop a list to make
2 sure that we understand, so we as a board can
3 advocate, what are those list of the different
4 types of technical assistance that exists out
5 there? It has been my experience, when I'm
6 tried to participate as a user, that they'll
7 say things like, yes, we will have a
8 consultant teach you how to do a website. And
9 as a chief everything officer, I don't have
10 time to add doing a website to my list of
11 things; right. So I want to make sure that
12 the technical assistance that is being
13 accessed is the type of technical assistance
14 that is beneficial to a small business.

15 Because if I, because you know I talk
16 about me and my small business, don't need an
17 attorney; I have an attorney; I don't need an
18 accountant, I have an accountant; and I don't
19 need to build a website; okay, then what
20 technical assistance is there for me, as a
21 business owner, to access? And I don't -- I'm
22 not always clear on the relationship between
23 LSBC and LED. I do know that they provide
24 technical assistance and I realize and I want
25 to make sure there's no duplication of things,

1 but if there is any way that the funds can be
2 used to enhance some of the offerings that
3 they're already delivering. I think that that
4 could be beneficial to business owners who
5 utilize those services.

6 MS. VILLA:

7 Correct. And I think that was one of --
8 you brought a very important touching point
9 for me because Brenda and I have talked about
10 this since Treasury announced that they were
11 providing technical assistance, and that was
12 exactly what I said. As to the small
13 businesses, they don't need someone to teach
14 them how to do a marketing plan. They don't
15 need someone to teach them how to do their
16 accounting. They need someone to do their
17 accounting. They need someone to draft their
18 legal contract. They need someone to do that
19 for them. They don't have time.

20 So that's one thing that we're very
21 hopeful for is that those dollars can be used
22 for those professional services that you
23 actually get something in return, not
24 consulting, not training, but actually do
25 something for the small business.

1 MS. GLOVER:

2 And we can talk more offline about this.
3 So through the LED's Diversity Initiative
4 Program that they have right now where they
5 are partnered with the Edward Lowe Foundation,
6 I'm getting to participate in that program,
7 and the Edward Lowe Foundation provides
8 consultants. When I realized they were
9 providing consultants at two o'clock in the
10 morning, I was, like, how am I going to
11 maximize the dollars that I'm about to get out
12 of this consultant; right? There is
13 absolutely a benefit to the consultants doing
14 work that someone does not have the skill set
15 to do; right? Or I am a small business, I
16 have an accountant, which as I understand that
17 accounting is backwards, look at finances
18 future looking; right. So how can I get this
19 consultant to help me work with some of the
20 finance parts of my business so that I can
21 then take it to the next level?

22 So that's not something that I need to
23 learn how to, like, do something so that
24 someone could provide that data and have them
25 create Excel spreadsheets, I haven't conducted

1 also research, you need to help me think about
2 how it is that I am going to grow my business.
3 Those types of things can be helpful. So if
4 we can work through that and define what those
5 different types of technical assistance could
6 be that would help take them to the next
7 level, I think would be great. And we would
8 still, because I always and I beg for also
9 need to do a better job of defining this is a
10 company that is early stage versus this is a
11 company that is second stage. And what that
12 technical assistance looks like for those two
13 individual groups are different, and we have
14 to better define that instead of generically
15 saying, yes, go to the (inaudible) center and
16 they'll provide technical assistance.

17 MS. GUESS:

18 Yes, I'd --

19 MS. VILLA:

20 I'm sorry. It's very different for each
21 individual.

22 MS. GUESS:

23 Yes, I'd love to have that conversation
24 with you at some point.

25 MS. GLOVER:

1 Thank you. And thank y'all for the work
2 that y'all are doing, it's great.

3 CHAIRMAN ROY:

4 Very good. Any other questions or
5 comments?

6 Thank you, Brenda, for your presentation.
7 I look forward to hearing more.

8 One item we need to address before we
9 adjourn is the appointment of committees.
10 And, Brenda, do you want to roll through? I
11 don't want to put you on the spot. I can go
12 through it if you want me to do it, but does
13 staff want to roll through the committee
14 appointments and to what extent there might be
15 vacancies?

16 MS. GUESS:

17 I don't mind, but I don't have it in
18 front of me.

19 CHAIRMAN ROY:

20 I think it appears on paper, unless I'm
21 mistaken that we have an adequate number of
22 board members on each committee; is that
23 correct?

24 MS. RANEY:

25 There are not any vacancies.

1 CHAIRMAN ROY:

2 Okay. So I guess to nip it in the bud,
3 do -- is everyone content with the, relatively
4 speaking, with the appointments that they
5 have?

6 MS. RANEY:

7 I apologize. The Governmental Outreach
8 Committee has four members; whereas, each of
9 the other committees have five.

10 CHAIRMAN ROY:

11 Okay. And Governmental Outreach, does it
12 have a sufficient number? Is four adequate?
13 It looks like it is. But I think the -- nope.
14 Supposed to have five; is that correct? We
15 only have four. Hence your point; right?

16 MS. GUESS:

17 And we have to also keep in mind that we
18 are short one board member.

19 CHAIRMAN ROY:

20 Yes.

21 MS. GUESS:

22 And we only have nine members that have
23 been appointed thus far and we are -- we are
24 talking with the -- and I have been having
25 continued conversations with the Office of --

1 Governor's Office of Boards and Commissions
2 for the identification of a representative
3 from the venture capital arena, which has been
4 the challenge, you know, to find a venture
5 capital individual or agent individual that
6 will not be coming for our board because
7 there's no recusal for them to operate. So
8 that's been taking a little bit longer. But
9 we think we can identify someone and we hope
10 to be getting that over to the Governor's
11 Office in very short order.

12 CHAIRMAN ROY:

13 Okay.

14 MR. JACKSON:

15 Mr. Georgewill came on midterm, so he can
16 be your fifth one there. And I'll gladly
17 yield my financing position to put him into
18 that.

19 MR. REINE:

20 Mr. Chairman, we agreed to all of the
21 following committees and the standing
22 committees and each committee shall consist of
23 five board members, right, so I make a motion
24 we just let the Chairman pick somebody for the
25 fifth spot and let them know they've been

1 awarded it.

2 CHAIRMAN ROY:

3 Okay. So, Mr. Georgewill, are you okay
4 with being on the Governmental Affairs
5 Committee?

6 MR. GEORGEWILL:

7 Yeah, as long as I can add value to that
8 group, yeah.

9 CHAIRMAN ROY:

10 Okay. Very good. Thank you. And so
11 that means that all committees have sufficient
12 number. Is everyone relatively content with
13 where they are or would someone like to join
14 an additional committee?

15 Hearing no objection, we will stand as it
16 is -- it will stand as it is. And if anyone
17 wants to change along the way, perhaps we can
18 do that. But, Mr. Georgewill, thank you for
19 doing that.

20 Is there any other business that we have?

21 MR. REINE:

22 Move to adjourn.

23 CHAIRMAN ROY:

24 Motion to adjourn.

25 MR. SIMPSON:

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Second.

CHAIRMAN ROY:

Seconded. All in favor, aye.

(AYES BY ALL.)

CHAIRMAN ROY:

All opposed, nay. Without objection.

Thank you and be safe.

(WHEREUPON, THE MEETING ADJOURNED.)

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

2 I, KELLY S. PERRIN, a Certified Court
3 Reporter, Certificate #23035, in good standing with
4 the State of Louisiana, as the officer before whom
5 this meeting was taken, do hereby certify that the
6 foregoing 80 pages;

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

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

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

5 Signed:



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7 KELLY S. PERRIN, CCR

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