

Annual Management and Program Analysis Report

Fiscal Year 2015-2016

Department: Louisiana Economic Development

Executive Leadership Team:

Secretary: Donald Pierson

Deputy Secretary: Brad Lambert

Undersecretary: Anne Villa

Assistant Secretary: Mandi Mitchell

I. What outstanding accomplishments did your department achieve during the previous fiscal year?

Louisiana's economy has faced significant challenges in the past year as a steep decline in energy prices contributed to a decline in employment. Louisiana's private-sector job performance fell during the past fiscal year by 1.0 percent versus a 2.1 percent gain in the South as a whole and a 1.9 percent gain in the U.S. Despite these challenges, Louisiana attracted major economic development projects during the fiscal year, with the announcement of a \$9.4 billion petrochemical complex planned by Formosa in St. James Parish, a \$3 billion chemical complex launched by Lotte Chemical and Westlake Chemical in Calcasieu Parish, the establishment of Brown & Root's corporate headquarters in East Baton Rouge Parish with 350 initial jobs and 575 future jobs in the state, the \$400 million Hazelwood Energy Hub oil-blending complex in St. Landry Parish, a \$975 million agricultural herbicide expansion by Monsanto in St. Charles Parish, and a \$717 million chemical manufacturing expansion by Shell in Ascension Parish. In Shreveport, LED announced the opening of the first Tier III data center in Louisiana with the \$20 million investment by Venyu in a converted former downtown department store. In Bossier City, the Integrated Technology Center of CSRA was completed and will be home to 800 technology professionals while anchoring the 3,000-acre National Cyber Research Center. In Monroe, IBM and CenturyLink launched construction of the Century Village mixed-use development that will be home to more than 400 IBM jobs across U.S. Highway 165 from CenturyLink headquarters. In Lafayette, LED announced a 100-job startup by Waitr, a rapidly growing, new restaurant delivery technology operations center which was originally started in Lake Charles.

Louisiana's exports totaled more than \$49 billion in 2015, ranking the state 9th in the country for exports. In the past 10 years, the value of the state's exports has increased from \$19 billion in 2005 for a growth rate of 158%, compared to the national growth rate of 66%.

According to the latest available data, per capita income in Louisiana has grown by \$7,171 (20 percent) during the past eight years and is at its highest level in more than 80 years.

A variety of national publications recognized Louisiana's economic progress in 2015-2016:

- In national business climate rankings published by *Area Development*, *Business Facilities*, and *Site Selection* Louisiana now ranks among the Top 10 states for business in the U.S.
- Louisiana earned its fifth consecutive Top 10 ranking in *Area Development* magazine's annual Top States for Doing Business report, placing No. 8 overall. The 2015 Top States for Doing Business report from *Area Development* magazine surveyed the nation's top site selection consultants to produce the report's findings.
- *Site Selection* ranked Louisiana No. 4 in the magazine's 2015 Top State Business Climate Rankings. It is the sixth consecutive Top 10 ranking for Louisiana in the annual *Site Selection* report and reinforces the state's reputation as a top location for business investment and job creation. Just six years ago, Louisiana ranked No. 25.
- *Site Selection* magazine's annual Governor's Cup rankings placed Louisiana No. 6 in the U.S. for states that announced the most new and expanded corporate facilities on a per capita basis in 2015. Louisiana was No. 2 among all Southern states, trailing only Kentucky, the overall leader in the per capita rankings. The Governor's Cup measures the quantity of significant business development projects for the calendar year. In absolute terms, Louisiana's project count for 2015 ranked No. 13 in the nation, down from No. 9 in 2014. Louisiana ranked No. 4 in the South Central region in total projects; it was No. 3 in the region in 2014. On a per capita basis in the South Central region, Louisiana ranked No. 2 in 2015; it was No. 2 in 2014 and No. 1 in 2013. In 2011, Louisiana ranked No. 1 in the nation per capita and No. 3 overall in the Governor's Cup for 2010 projects, and the state has continued to post rankings since then that are far above its previous historical performance.
- *Southern Business & Development* magazine ranked Louisiana No. 1 among Southern states for attracting the most significant capital investment and job-creation projects per million residents. States earn points for large employment projects (200 or more jobs) and large capital investment projects (\$30 million or more) attracted during 2014. Louisiana led the region with the most points-per-million at 105.4, easily outdistancing second-place Kentucky (63.4) and third-place Oklahoma (63.2). Louisiana has been ranked No. 1 in the per capita category for six years in a row.
- LED FastStart[®] was named the nation's No. 1 ranked workforce program for the sixth year in a row by *Business Facilities* magazine. Recognized for its innovation, effectiveness, flexibility and efficiency, FastStart provides customized employee recruitment, screening, training development and training delivery for eligible, new or expanding companies - all at no cost to the company.

- Thumbtack.com gave Louisiana a grade of A in its 2015 report card on small business friendliness, ranking the state No. 4 in the U.S. for its supportive small business environment. The grades are part of an annual survey of small businesses through the United States conducted by Thumbtack in conjunction with the Kauffman Foundation. In addition to the top grade Louisiana received for small business friendliness, other ratings for the state include A grades for ease of starting a small business; regulatory friendliness; friendliness of health and safety regulations; friendliness of employment, labor and hiring regulations; friendliness of licensing regulations; friendliness of tax code; and friendliness of environmental regulations. Louisiana scored a B for ease of hiring a new employee; friendliness of zoning regulations; and training and networking programs.
- *Business Facilities* delivered 30 project nominations announced in 18 states during 2015 to an independent panel of judges that made the final selections for the 2015 Economic Development Deal of the Year competition. Judges selected a \$417 million investment in a 4.1 million-square-foot Goodman Global Group manufacturing and corporate campus in Houston, with 4,600 new jobs, as the Gold Award winner. The Silver Award went to South Carolina's \$500 million Volvo assembly plant, with 4,000 new jobs, followed by Louisiana's \$9.4 billion Formosa Petrochemical plant as the Bronze Award winner.
- *Trade & Industry Development* magazine honored two Louisiana business development projects in its 11th Annual Corporate Investment and Community Impact Awards — known as CiCi Awards — with recognition of the IBM project in Monroe, Louisiana, and the Monster Moto project in Ruston, Louisiana. The magazine selected 15 Community Impact and 15 Corporate Investment recipients nationwide, for a total of 30 project winners in the 2016 CiCi Awards. Louisiana's winning projects are the IBM Application Development and Innovation Center in Monroe (806 new direct and indirect jobs) and Monster Moto's relocation of both its corporate headquarters and its youth-market vehicle manufacturing operations to Ruston (579 new direct and indirect jobs). The two Louisiana projects were selected among the Top 15 new Community Impact projects.

Louisiana again produced a variety of significant business development wins in traditional industries and Louisiana's new target sectors, such as digital media and alternative energy.

In 2015-2016, LED secured 31 major project wins, including 12 expansion or retention projects and 19 recruitment projects. Seven of these announcements were internationally headquartered, representing over \$12.8 billion in foreign direct investment. Several of these represented game-changing projects such as Formosa Petrochemical Corporation (a subsidiary of Taiwan's Formosa Plastics Group), a new world-class petrochemical manufacturing complex in St. James Parish, which will create 1,200 new direct jobs, 8,000 indirect jobs, and will provide \$9.4 billion in capital expenditures. Another example includes an expansion project at Axiall Corporation in Calcasieu parish. This joint venture between Axiall and Lottie Chemical Corporation (of South Korea) retains 1,600 existing jobs and will add 430 new direct jobs, more than 1,890 indirect jobs, and includes \$3 billion in capital expenditures. Additional direct foreign

investment was brought in from companies headquartered in Lithuania, Finland, Japan and Thailand. Together the international projects represent nearly 2,150 new direct jobs, more than 11,500 indirect jobs and nearly \$44 million in annual state tax revenues when they are fully ramped up.

In the Acadiana Region, two companies (Hazelwood Energy Hub and Waitr) announced starting operations in the region. Together they represent approximately 220 new jobs and \$400 million in capital investment. Hazelwood is building a new crude oil storage and blending complex in St. Landry parish and Waitr is starting a new restaurant delivery technology operation center in Lafayette.

In the Bayou Region, Bollinger Shipyard announced the shipyard won a second contract to build 26 Sentinel Class Fast Response Cutters, or FRC, for the Coast Guard and will retain 500 existing jobs with the potential to provide new employment opportunities for the region.

In the Capital Region, Shell Chemical announced an expansion of its chemical manufacturing operations in Ascension Parish and an investment of \$717 million in capital expenditures at the site. Also in the region, Brown & Root announced it was moving its corporate headquarters from Houston to Baton Rouge, adding 50 new high-paying jobs to the workforce already in the state.

In the Central Region, Investimus Foris (a Lithuanian company) announced it will build a new \$265 million ammonia manufacturing facility in Grant Parish, which will result in 85 new jobs and 584 indirect jobs.

In the Northwest Region, PennTex Midstream Partners announced the construction of \$116 million in LNG facilities in Lincoln Parish.

In the Southeast Region, foreign direct investment from three announced projects will result in more than 1,250 new direct jobs, more than 8,100 indirect jobs, and more than \$9.4 billion in capital expenditures. Cajo Technologies, headquartered in Finland, is building a laser engraving machinery manufacturing facility in Orleans Parish. Formosa Petrochemical Corporation, headquartered in Taiwan, is building a new petrochemical manufacturing complex in St. James Parish, and Denka Performance Elastomer, headquartered in Japan, is acquiring a polymer manufacturing facility and creating a new corporate headquarters in St. John the Baptist Parish.

In the Southwest Region, investments from Thailand and South Korea will result in three new petrochemical manufacturing facilities in Calcasieu Parish (Dongsung FineTec, Axiall/Lotte Chemical and Indorama Ventures), while Houston-based Tellurian Investments is establishing a new LNG facility. These projects include more than 1,350 new jobs, 4,550 indirect jobs, and \$15 billion in capital expenditures. In Cameron parish, G2 LNG also announced the construction of a new LNG facility with 272 new jobs, 1,500 indirect jobs, and \$11 billion in capital expenditures.

These are just some examples of the business development wins secured in 2015-2016. A total of 31 companies announced expansions or relocations in 2015-2016 in Louisiana, launching projects that are projected to create more than 23,000 new direct and indirect jobs, approximately \$39 billion in new capital investment, and hundreds of millions of dollars in new sales for small businesses across Louisiana.

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

LED Priorities

LED is taking aggressive steps for Louisiana to consistently outperform the South and U.S. for job creation and economic opportunity. In developing a strategic approach to deliver on our mission to cultivate jobs and economic opportunity for the people of Louisiana, LED has identified nine major priorities to lead to improved economic development performance and to position Louisiana for a brighter economic future:

1. Cultivate small business, innovation and entrepreneurship
2. Expand and retain in-state businesses
3. Execute a strong business recruitment program
4. Forge partnerships to enhance regional economic development assets
5. Engage with local partners to enhance community competitiveness
6. Attract foreign direct investment and grow international trade
7. Strategically improving state economic competitiveness
8. Enhance workforce development solutions
9. Promote Louisiana's robust business advantages

To execute against the priority areas, several initiatives continue to push Louisiana to the highest rankings in state history. Notable among these initiatives are:

- LED Fast Start[®] – FastStart provides customized recruitment, screening and training to new and expanding eligible companies. Recognized for its innovation, effectiveness and efficiency, FastStart has quickly established a presence among workforce solutions programs nationwide. Based on a company's immediate and long-term workforce needs, the FastStart team crafts unique programs that ensure workers are prepared on day one and beyond. FastStart's innovative, customized programs are available to companies that meet eligibility requirements and are aligned with Louisiana's economic development targets, including digital media, headquarters and business operations, service industries, advanced and traditional manufacturing, warehouse and distribution, and research and development. Service industries, headquarters and business operations, and warehouse and distribution companies must also have a majority of sales out of state. To qualify, a

company must first commit to creating a net of at least 15 new permanent manufacturing jobs, or a net of at least 50 new permanent service-related jobs. Each request is evaluated prior to project commencement to ensure all eligibility requirements are met. Since inception in 2008, the program has provided training solutions to companies expanding or locating new operations in the state, training more than 28,000 employees in nearly 31,600 new jobs, in areas such as core manufacturing skills, advanced manufacturing skills, job specific training, specialized skills training, organizational development training, leadership training, etc. The program has often been a deciding site selection factor in the recruitment of new companies to Louisiana. FastStart has been named the number one workforce training program in the nation six years in a row by *Business Facilities* magazine.

- State Economic Competitiveness – The program identifies actions to improve the state’s economic competitiveness through benchmarking, ranking comparison, developing plans for the improvement of economic development-related public infrastructure, and developing plans for improving competitiveness of industry-specific growth sectors. The program launched with a comprehensive analysis of state business climate rankings to target improvements. Since its inception in 2008, the program has identified 132 actions and has seen the successful implementation of 44 of those, such as extending and strengthening entertainment industry tax credit programs, eliminating state income tax on certain capital gains for entrepreneurs, and developing a comprehensive strategy to cultivate the automotive industry in Louisiana, including prioritized investments and business development tactics to retain existing, and attract new major employers associated with the automotive industry, developing legislative packages to position the state to be more attractive to locating headquarters and other highly competitive projects, and the development of a comprehensive approach for a trade-related economic development strategy.
- Business Expansion and Retention Group (BERG) – The program conducts on-site visits with the leadership of Louisiana’s top economic-driver firms, and companies poised for growth, to identify challenges and growth opportunities, as well as to provide assertive state support where appropriate to address them. The program also uses proactive techniques to identify businesses at risk of closing or downsizing their Louisiana presence in order to offer assistance in preventing the loss of jobs in the state, such as Gardner Denver Thomas. The company was considering closing its Louisiana location and consolidating its operations at an existing location in another state. The program played an instrumental role in not only keeping the existing operations in Louisiana, but also expanding the operations by consolidating operations from the other state into Louisiana. Since inception, the program has conducted more than 3,850 proactive business expansion and retention visits with economic-driver firms in the state.

Major Project Announcements

Since 2012, LED has attracted \$135 billion in announced capital investment projects in Louisiana, with the capacity to add more than 100,000 new jobs as these projects are developed statewide. So far, \$65 billion worth of those project announcements have entered

the construction, engineering or permitting phases.

Process Improvement, Efficiency, Service Delivery

Online Business Plan Tracking – During 2008-2009, LED began electronically tracking major initiatives, ongoing key activities, and continuous improvements outlined in the department's annual business plan in order to systematically measure success against the eight strategies for improving performance. Utilizing a stop-light approach in SharePoint to measure monthly progress, LED management can quickly identify performance levels throughout all levels of the department from a centralized dashboard. 2015-2016 marked the eighth successful year of utilizing the tool to manage performance against the plan.

Business Development Process Optimization – During 2009-2010, LED launched Phase I of an initiative designed to improve existing business development process to make Louisiana's one of the best in the nation. Phase II was completed in 2011-2012 to continue to streamline and improve. In 2014-2015 LED moved to a new integrated technology to optimize and consolidate lead generation, prospect development, and business relationship management activities. In 2016 LED began to review process changes related to the new technology implementation and is currently updating the lead development and business management playbook tool. Through this initiative LED continues to build upon a strong foundation to result in robust and manageable business development processes which are more visible, predictable, consistent, scalable, and sustainable, translating into a competitive advantage. Key attributes and activities that define a best-in-class business development organization are:

- Clear business development stage definitions (e.g., potential lead to close), pipeline management, and business development cycle progression.
- Clearly defined roles and responsibilities for executing against best practice activities and the process.
- Alignment of business development tools/aids, skills and systems necessary to support activities and execution at each stage.
- Clear and prioritized leading and lagging performance metrics that can be coached and reinforced by business development management process.
- Integration of best practice business development methodologies and activities.

Sites and Buildings Database – LED developed a GIS-enabled sites and buildings website, in partnership with Entergy, to significantly improve Louisiana's business recruitment capabilities. The site launched in April 2009, allowing site selectors, corporate executives, and businesses looking to expand in Louisiana to preview available sites, buildings and mega sites in Louisiana, review and download GIS-based geographic suitability analyses, view detailed demographic and business data, obtain needed contact information and more. The database has grown from approximately 400 buildings and sites in 2009 to 898 sites and 649 buildings available for commercial use throughout the state in 2016.

Electronic Client Interaction – LED also enhanced two new online client interaction portals for

small business assistance and business incentives. These major database systems with web-enabled client ends provide public information and access to the various incentive programs administered by the department. Applicants, from the smallest entrepreneur to the largest corporation seeking to grow in the state, are able to go online to apply for a wide range of LED-administered programs. All of the public data in these major systems can be searched online as well. LED is the first state in the nation to provide this level of online economic development service to its customers. These systems provide significant assistance to the department in service delivery. They provide customers with improved access to services, allies and partners with a centralized place to transact business with the department in their efforts to assist businesses statewide, LED staff with streamlined internal processes that allow the department to focus on business relationships, and the public with enhanced transparency of agency operations. Significant accomplishments to date include:

- SmallBiz

LED's small business suite of products is designed to provide a one-stop shop for small businesses to apply for certification and services through LED's small business incentive programs. Applicants apply online and begin receiving benefits upon certification. Service providers statewide have access to the database to track technical assistance provided to each certified business. Certified businesses additionally have their information electronically provided to selected state and federal agencies for access to government contracting opportunities. Certifications now included in SmallBiz are Small and Emerging Business, Small Entrepreneurship, Veteran-Owned, and Service-Connected Disabled Veteran-Owned. During 2015-2016 LED enhanced the system in a variety of ways to improve service delivery, resulted in a leaner system for all three user types – business owners, service providers, and program administrators.

- FastLane

The FastLane database is designed to provide a one-stop shop for businesses of all sizes to apply for financial and tax incentive programs administered by the Board of Commerce & Industry and the Louisiana Economic Development Corporation. Applicants apply online and track the status of their applications through board approval, and the status of their contracts until program completion. Programs being administered through FastLane are Quality Jobs, Enterprise Zone, Industrial Tax Exemption, Restoration Tax Abatement, Economic Development Award Program, Research & Development Tax Credit Program Digital Media and Film and Television Production. In an effort to move to paperless operations, LED enhanced these systems and increased online capability for interaction with clients during 2014-2015. During 2015-2016, LED implemented incentive program changes from the 2015 legislative session and recent executive orders relating to incentive program participation into the system.

- Online Incentive Evaluation and Estimator Tool

During 2011-2012, LED released a new online tool for prospect companies to answer a few basic questions about their location or expansion plans, and know immediately about incentive program eligibility. Prospects are informed about incentive programs and program benefits if the project moved forward with the estimated jobs, investment, and payroll. The prospect is then led to the electronic filing process appropriate for the incentive(s) they have chosen to pursue. Each year the application is adjusted to include newly created programs and make changes to existing programs required by changes in legislation. The application is currently down pending final changes from the 2015 legislative session and recent executive orders relating to incentive program participation. Once those changes have been incorporated, the tool will go live again online.

- Lead Generation, Prospect Development, and Business Relationship Management

- LED manages leads, prospects, and other client relationships through an industry standard customer relationship management system. The system allows the department to track prospects across all phases, from initial lead, through prospect development, to project announcement. The system played an integral part in the implementation of LED's business development process optimization initiative. The CRM system is also used for tracking performance in a variety of other LED initiatives, such as grant and loan programs, and other marketing and call center activity. Begun in 2010-2011 and continuing into 2015-2016, the system is continually enhanced to further streamline and improve project tracking, reporting, and service delivery.
- The customer relationship management system is also utilized to manage business relationships. LED leads the effort and collaborates with local economic development organizations to strengthen relationships with existing businesses in the state. Interviews are conducted with company officials allowing them to share information about their markets, products and services, expansion plans, management, workforce, technology, utilities, infrastructure and local public service. These interviews are intended to reveal issues that support or hinder progress and allow LED to utilize this information to remove obstacles for growth. This improved relationship between the state and top business leaders also reveal opportunities for attracting new business for the state, especially in the areas of consolidation and headquarter relocation.

- Re-Telligence Tool (GIS Portal and Co-location Portal)

LED maintains an online tool designed to provide local and regional economic developers with information concerning co-location and supply chain opportunities for upstream and downstream manufacturers.

1. Search for products made in Louisiana
2. Identify new greenfield sites
3. Look for available land on a specific facility's site for co-location opportunities
4. Match existing Louisiana companies with potential customers in their supply chain (inputs-outputs-intermediaries)
5. Develop new facilities for businesses who could co-locate on a local site

GIS layers are continually added, which include local, state, federal parcel data (property boundaries), pipelines, waterlines, zoning, etc., and a new real-time streaming of business relationship management data to the portal.

II. Is your department five-year strategic plan on time and on target for accomplishment?

LED accomplished approximately 88% of its key and supporting performance indicators for 2015-2016 within the 5% variance standard (including target adjustments when appropriate). The plan is on target for full accomplishment.

SIGNIFICANT PROGRESS

Business Development & Marketing

During 2015-2016, the LED business development team added an additional 235 recruitment, expansion and retention prospects to the pipeline of projects being actively worked. These projects represent more than \$47.5 billion in investment and nearly 39,000 new direct and indirect jobs. Success with a percentage of these projects would have a substantial impact on the state economy and job market.

LED has also identified and implemented significant modifications to business recruitment capabilities utilizing tactical improvements to existing programs, including:

- Utilizing best-practice project management with fast, accurate turnaround
- Utilizing sophisticated deal valuation and structuring capabilities
- Focusing on targeted sectors based on strengths and weaknesses of each economic development region of the state
- Becoming the first state economic development agency to have the most online incentive applications and online tracking capability

International Commerce

Act 687 of 2012 created the Louisiana Board of International Commerce. Louisiana's Office of International Commerce (OIC) manages Louisiana's initiatives focused on attracting foreign

direct investment, increasing trade volumes and expanding manufacturing activity. In addition to its headquarters at LED, the team includes representatives in nine countries: Canada, China (Beijing and Shanghai), Germany (also covering Austria and Switzerland), India, Japan, South Korea and the United Kingdom. Together, the international team showcases Louisiana's value proposition to potential investors and traders across the globe.

The OIC team assists the executives of qualified foreign-based businesses with an interest in locating in the U.S. LED's services are offered at no cost to qualified companies. Companies using these services accelerate their success in the U.S. market and quickly assimilate into Louisiana's booming economy. A dedicated team of professionals who will provide customized solutions for entering or expanding in Louisiana. Louisiana is one of only two states in the U.S. where all six Class 1 railroads converge, providing great capacity and choice. As a result, Louisiana was ranked as the No. 1 exporting state in the country (based on export intensity and export growth), according to the U.S. Chamber of Commerce *Enterprising States* report. Furthermore, Louisiana has seven designated Foreign Trade Zones (FTZ) dispersed throughout the state, providing foreign companies with customs-free options for the import, manufacture or reshipment of goods from areas near U.S. port facilities. Utilizing these services over the past three fiscal years, 30 foreign companies have located new operations or expanded existing operations in the state.

Business Expansion & Retention Group

Established in 2008, the Business Expansion & Retention Group (BERG) conducts proactive on-site visits with the leadership of Louisiana's top economic-driver firms and companies poised for growth to identify challenges and growth opportunities, as well as to provide assertive state support where appropriate to address them. The goal of the program is to proactively select and visit at least 500 economic driver firms annually, and since its inception the program has consistently exceeded that mark.

Table 1

PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 2012-2013	PRIOR YEAR ACTUAL FY 2013-2014	PRIOR YEAR ACTUAL FY 2014-2015	PRIOR YEAR ACTUAL FY 2015-2016
Number of proactive business expansion and retention visits with economic driver firms in the state	718	632	618	633

The program is successful not only in retaining existing businesses with plans to shutter their operations, but has also managed to lure additional investment and jobs by expanding those businesses to relocate other operations such as headquarters or activities from non-Louisiana sites.

Entertainment Industry Development

LED's Office of Entertainment Industry Development (OEID) now offers four tax credit programs which are designed to grow and sustain the entertainment industry sector in the state which

provide a holistic package of entertainment incentives not found anywhere else in the United States. Because these incentive programs exist for motion picture, sound recording, digital interactive media, and live performance production and infrastructure, LED expanded and restructured the OEID to provide experience and leadership in each sector for maximum effectiveness. Success of the approach can be found in the recent recruitment of several new projects to the state:

- North Carolina-based Smashing Boxes announced the launch of new operations in New Orleans. Smashing Boxes specializes in the creation of innovative technology for brands and startups. The company's strategists, designers and developers work in small collaborative teams to craft products and services spanning Web, mobile and connected devices. The project includes 85 new high-paying jobs, 86 new indirect jobs and a \$500,000 capital investment. Smashing Boxes recently earned recognition as one of the Best Entrepreneurial Companies in America by *Entrepreneur* magazine.
- Another North Carolina based business, BlueLine Associates, announced the opening of a new software development office at the Louisiana Technology Park in Baton Rouge. BlueLine Associates provides business process management services to companies to improve their processes, to support the implementation of information technology systems, and to create information management systems. The project includes 40 new jobs and 27 new indirect jobs. In November 2015, the company was named one of *Consulting* magazine's fastest-growing firms.
- Lake Charles based Waitr Inc. announced the development of a new technology operations center in Lafayette. Waitr is an online and mobile software-solution business that partners with local restaurants, providing delivery service for restaurants and making available to them a new range of customers via home delivery. Diners may also pay via the free Waitr app from their restaurant tables. LED's Economic Gardening Initiative pointed Waitr on the path to new markets through intensive data research. The project includes 100 new jobs and 107 new indirect jobs.
- Virginia based CSRA announced the establishment of a new customer engagement center at the Cyber Innovation Center in Bossier City. CSRA delivers a broad range of innovative, cloud-enabled, next-generation IT solutions and professional services to help its customers modernize their legacy systems; protect their applications, infrastructure, and assets; and improve the effectiveness and efficiency of mission-critical functions for warfighters and U.S. citizens. The project includes 300 new jobs and 131 new indirect jobs.
- Several large film projects, each having a substantial amount of Louisiana spending and Louisiana resident employment – a Wolverine sequel (\$126.5 million), Queen Sugar (\$35 million), Girl Trip (\$27 million) and Starbright (\$26 million) – have recently filmed in Louisiana. Additionally, several large-scale television series were shot in the state, including NCIS New Orleans – Season 2 (\$92.4 million) and Scream Season 4 (\$40 million), Salem Season 3 (\$35.5 million) and reality TV series Duck Dynasty Season 5 (\$20 million). All of the film and television production projects certified expenditures in the state during 2015-2016 totaled \$1.2 billion, which included Louisiana payroll.

Having these industry leaders locate their companies and projects in Louisiana is a testament to the state's deep and growing employment base, the unique production and digital media opportunities the state offers, and the business climate being cultivated for the industry.

Community Development

Development Ready Communities – LED and a statewide team of stakeholders, in partnership with the Louisiana Municipal Association, identified the issues and needs for community development in the state and developed a collection of tools needed to assist communities with their own development. The Louisiana Community Network portal provides resources to assist in building business-ready communities of distinction in Louisiana.

- Online Search for Programs and Resources – allows communities to search the database of resources, funding sources and programs to assist in building globally competitive, marketable communities.
- Downloadable Tool Kits – customizable development tools that assist communities to create wealth and economic opportunities through assessment, strategic planning, business retention and development, and marketing the community's strengths.

The program, launched in 2011, is designed to help communities prepare to effectively compete with out-of-state communities for good jobs, business development projects, and capital investment, has included thirty-two communities throughout all regions of the state.



Certified Sites Program

A Louisiana Economic Development Certified Site is a development-ready industrial site that has completed a rigorous review process by LED and an independent third-party engineering firm. Specific site details, such as zoning restrictions, title work, environmental studies, soil analysis and surveys, are assessed for compliance and authenticity. The program was started in 2010 and continued to expand in 2015-2016. Each site is listed on the LED website with links to all the details and maps of the site at LED's Site Selection Center. With 73 certified business and industry sites throughout Louisiana, the LED Certified Sites program ranks No. 2 in the U.S. (behind only Indiana) for the most certified economic development, shovel-ready sites in the country. The following sites have been certified through the program:

Table 2

Certified	Site	City	Parish	Acres
2010	Donaldsonville Technical and Industrial Park	Donaldsonville	Ascension	60
2010	North Whittington	Shreveport	Caddo	90
2010	River Chase	Covington	St. Tammany	68
2011	Industrial Park East	Lake Charles	Calcasieu	325
2011	Charleston Industrial Park	Monroe	Ouachita	700
2011	Airport Plaza	Hammond	Tangipahoa	20
2011	Pointe Sunshine	Donaldsonville	Ascension	987
2011	I-20 Greenwood Road	Shreveport	Caddo	313
2011	City of Bunkie Industrial Park	Bunkie	Avoyelles	148
2011	Pointe Coupee Port and Industrial Park	Lettsworth	Pointe Coupee	44
2011	Deere Park	Abbeville	Vermilion	23

2011	Conrad Anderson	Hammond	Tangipahoa	40
2011	GlobalPlex	Reserve	St. John	130
2011	Millhaven Plantation	Monroe	Ouachita	726
2011	Chennault Southwest	Lake Charles	Calcasieu	343
2012	Nord Du Lac	Covington	St. Tammany	231
2012	Franklinton Industrial Park	Franklinton	Washington	88
2012	Ward II Industrial Park	Vivian	Caddo	931
2012	Evangeline Parish Ward I Industrial Park	Ville Platte	Evangeline	97
2012	Summit Fremaux	Slidell	St. Tammany	35
2012	Rigolets Estates	Slidell	St. Tammany	52
2012	Alistar	Port Allen	West Baton Rouge	204
2012	Johnny F. Smith Business Park	Slidell	St. Tammany	38
2012	Sugarcane Site	Baton Rouge	East Baton Rouge	40
2012	Kent Site	Batchelor	Pointe Coupee	902
2012	Record Industrial Park	Clinton	East Feliciana	20
2012	Pointe Coupee Power Park	Jarreau	Pointe Coupee	1,541
2012	New Roads Industrial Park	New Roads	Pointe Coupee	72
2012	Tower Drive	Hammond	Tangipahoa	42
2012	BTR Aviation Business Park	Baton Rouge	East Baton Rouge	125
2012	LSU Innovation Park	Baton Rouge	East Baton Rouge	200
2013	England Airpark	Alexandria	Rapides	34
2013	Williams Memorial Airport Business Park	Patterson	St. Mary	64
2013	Natchitoches Port	Natchitoches	Natchitoches	370
2013	Grace Farms West	Ramah	Iberville	515
2013	Grace Farms East	Ramah	Iberville	457
2013	NRG Industrial Park	New Roads	Pointe Coupee	640
2013	Gateway II	Geismar	Ascension	83
2014	Waterloo Site	Geismar	Ascension	156
2014	Iberville Industrial	Plaquemine	Iberville	55
2014	Dow Louisiana Operations West	Plaquemine	Iberville	883
2014	Livingston Industrial Park	Livingston	Livingston	94
2015	Schexnayder Site	Donaldsonville	Ascension	1,000
2015	Grezaffi North	Geismar	Ascension	1,712
2015	Britco	Gonzales	Ascension	68
2015	Angel Ranch	New Roads	Pointe Coupee	732
2015	Grezaffi South	Geismar	Ascension	213
2015	Petty Company South	Monroe	Ouachita	160
2015	Petty Company North	Monroe	Ouachita	99
2015	England Airpark Heavy Industrial Site W1*	Alexandria	Rapides	708
2015	England Airpark Heavy Industrial Site W2*	Alexandria	Rapides	865
2015	Parks Geismar Site	Geismar	Ascension	184
2015	Moseley North	New Roads	Pointe Coupee	350
2015	Moseley South	New Roads	Pointe Coupee	379
2015	The Lakes at Madison Park	Madisonville	St. Tammany	34
2015	Chennault Airpark Site 5	Lake Charles	Calcasieu	160
2015	Holly Ridge Northeast	Rayville	Richland	256
2015	Port of Columbia	Columbia	Caldwell	171
2015	Holly Ridge Northwest	Rayville	Richland	282
2016	Bee Bayou	Rayville	Richland	357
2016	North Webster Parish Industrial District	Cullen	Webster	61
2016	HC Drew Development Area	Vinton	Calcasieu	183
2016	Freeland Site	Crowley	Acadia	537
2016	Olla Industrial Park	Olla	LaSalle	51
2016	England Airpark Heavy Industrial Site E2	Alexandria	Rapides	42
2016	Natchitoches Industrial Park	Natchitoches	Natchitoches	48

Source: Louisiana Economic Development, Business Intelligence

*NOTE: England Airpark sites W1 and W2 comprise the England Airpark Megasite (1,573 acres)

Small Business Assistance

The implementation of the SmallBiz system has eliminated nearly all manual processing for LED small business developers, freeing up resources for direct services and monitoring of small businesses.

- Online Small Business Resource Finder – allows businesses and entrepreneurs to locate all of the business assistance providers available in their geographic area from a comprehensive network of resources.
- SmallBiz – allows business owners and entrepreneurs to apply online for certification in multiple programs designed to help businesses start, grow, and increase jobs and revenues. The small business development center (SBDC) system in the state is continuing to streamline processes to service more clients throughout the state. SBDCs provide management assistance to current and prospective small business owners by offering one-stop assistance to individuals and small businesses with a wide variety of information and guidance in central and easily accessible branch locations. The program is a cooperative effort of the private sector, the educational community and federal, state and local governments. SBDC systems are required to achieve and maintain quality management system accreditation through the Malcolm Baldrige Program. The Louisiana SBDCs provide counseling, outreach and business development assistance to entrepreneurs through a system of 14 university-housed centers throughout the state. During 2015-2016, nearly 2,350 businesses received counseling and over 5,600 individuals received training through the LSBDC system. These services are provided for free or low cost to business owners and potential entrepreneurs. Approximately 40% of the counseling cases are for women entrepreneurs and approximately 40% are for minority entrepreneurs. This is significant because it provides traditionally underserved populations with the potential to increase self-sufficiency through entrepreneurship. The statewide impact of the LSBDC system in 2015-2016 was \$64 million in business loans for entrepreneurs.

Business Incentives

LED administers a variety of statutory and discretionary financial and tax incentive programs for businesses of all sizes. Table 2 shows trend data for some of the most heavily used tax incentive programs. In addition to these projects, during 2015-2016, LED provided \$2.5 million in EDAP public infrastructure or EDLOP funding for 3 projects that expect to create over 260 direct jobs combined.

Table 3

PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL FY 2011-2012	PRIOR YEAR ACTUAL FY 2012-2013	PRIOR YEAR ACTUAL FY 2013-2014	PRIOR YEAR ACTUAL FY 2014-2015	PRIOR YEAR ACTUAL FY 2015-2016
Number of Business Incentive projects approved	927	893	890	956	1059
Anticipated permanent jobs created by BI applicants	9,063	7,704	5,068	12,153	11055
Anticipated construction jobs created by BI applicants	48,593	41,990	52,451	60,548	74471
Anticipated capital invested by BI applicants (in billions)	\$9.6	\$20.1	\$11.3	\$33.8	38.8

Louisiana Business Emergency Operations Center (BEOC)

The Business Emergency Operations Center (BEOC) is an initiative supported by Louisiana Economic Development (LED), the Louisiana Governor's Office of Homeland Security & Emergency Preparedness (GOHSEP), the University of Louisiana at Lafayette's National Incident Management Systems & Advanced Technologies (NIMSAT) Institute and the Louisiana State University Stephenson Disaster Management Institute (SDMI). This partnership is dedicated to identifying opportunities and resolving challenges associated with the complexities of planning for, responding to and recovering from natural or man-made disasters.

The BEOC is the primary state support function within the state's emergency activation structure focusing on the capacity of the private sector to engage in local and state response and recovery initiatives and the identification of the impact of disasters on the private sector. The center will operate 24/7 during Level 1 activation at the University of Louisiana at Lafayette's Abdalla Hall.

The BEOC is the operational center for a collaborative effort to ensure business interests and capabilities are integrated into the pre-disaster planning and post-disaster response, recovery and long-term redevelopment of communities in Louisiana that have been impacted by a declared disaster.

When activated, the BEOC performs the following primary functions, with industry support and assistance:

- Coordinate the assessment of economic impact on affected communities (LED responsibility)
- Facilitate the engagement of private sector resources in disaster response efforts (GOHSEP)
- Ensure the delivery of required government and private sector recovery resources to businesses that sustained physical and/or economic damage due to a disaster (GOHSEP)

Marketing and Communication

In 2008-2009, LED initiated a comprehensive strategic marketing plan to convey to business executives around the country and around the world that Louisiana is positioning itself to become the next great American state for business investment, quality of life and economic opportunity. The strategic marketing plan provided new marketing and advertising strategies, including a new website and marketing collateral, tactics for improving earned media coverage of the state's economic development progress, and a new economic quarterly publication targeted at in-state and out-of-state business executives to communicate economic development progress in Louisiana. Those efforts have continued through 2015-2016 and are in the process of being reviewed for improvement opportunities moving forward. A major new LED marketing campaign aimed at in-state and out-of-state audiences will be unveiled in the 2016-17 fiscal year. In the first quarter of 2016, LED converted its quarterly publication, *EQ: The Louisiana Economic Quarterly*, to an all-digital, online format, netting the State of Louisiana.

While enhancing the presentation of the magazine, this move – combined with reduced web hosting and online database costs – will save the department and state \$430,000 annually.

Louisiana Job Connection

In 2014, LED launched a new website in conjunction with the Louisiana Workforce Commission designed to match Louisiana employers with qualified job seekers. This free website addresses the needs of employers with innovative job posting-and-matching functionality and an intuitive, easy-to-use interface. Originally designed for LED FastStart® clients, the website is available to all employers with a Louisiana tax ID. Not only is the site valuable to in-state job seekers, it is also expected to target former Louisiana residents who want to move back into the state. Since inception, there have been 3,200 employers posting jobs for matchups with nearly 75,000 registered job seekers, and some 2.7 million potential job matches with qualified candidates have resulted. Since actual hiring takes place outside the system, LED used surveys to determine satisfaction levels with the service. A voluntary survey of registered employers showed that 87% of employers posting jobs would recommend Louisiana Job Connection to a friend or colleague.

Louisiana Job Connection includes flexible capabilities for Louisiana employers:

- Advanced Matching Algorithm: Employers only see profiles of job seekers that meet the skills requirements of each job posting. Recruiters also have the capability to adjust the threshold match percentage to quickly broaden or narrow their search based on profiles in the system. The matching functionality also limits the number of applicants to only those that meet the threshold match – allowing employers to identify the right talent quickly.
- Multiple Recruiter Functionality: Company profiles can be set up to include multiple recruiters to enable increased accessibility and productivity.
- Job Posting Flexibility: Users can either post jobs manually on the site or choose to scrape them from another site where they already post jobs.
- Custom Company Landing Pages: Companies have the ability to create a custom landing page using drag-and-drop functionality. This allows each company to tailor their messaging to meet talent recruitment needs.
- Robust Communication Tools: Employers have the ability to bulk-message applicants or send messages to particular job seekers based on match results.

SIGNIFICANT LACK OF PROGRESS

LED has no areas with a significant lack of progress.

LED STRATEGIC PLAN

LED's five-year strategic plan is updated every three years (most recently in 2016) to incorporate any changes identified as necessary to build on successes as well as to incorporate

new strategic initiatives identified as potentially beneficial to the state.

The SEC Group is continuously monitoring best practices and model programs to assess Louisiana's competitive position relative to other states, and in some cases, even other countries, to locate and grow businesses. Based on the findings of the SEC Group, LED may recommend the implementation of a new program or may recommend revising or eliminating an existing program. In addition, the SEC Group monitors the department's progress in achieving the items in the LED Annual Business Plan.

LED tracks quarterly performance on all program activity, which is reviewed by Policy & Planning and Executive Management for accuracy and for determining performance levels against established goals. Program managers are responsible for meeting the goals and objectives of their own divisions, and are notified of areas in danger of dropping below established goals. They are also assisted in developing ways to meet or exceed goals, which may include additional resources or a stronger focus in a specific area. In many instances performance goals are part of an employee's annual performance review.

III. What significant department management or operational problems or issues exist? What corrective actions (if any) do you recommend?

LED has no significant department management or operational problems, other than due to budgetary issues we are operating at reduced capacity (personnel) which is limiting our ability to achieve even more success. Our loss is an opportunity cost which should perhaps be considered a short coming.

IV. How does your department identify, analyze, and resolve management issues and evaluate program efficiency and effectiveness?

LED is committed to quality customer service and to operating efficient, effective programs. In an ongoing effort to maintain the highest level of quality services the department has implemented several strategic initiatives for internal and external monitoring.

Internal Processes

LED utilizes a combination of four strategic meetings and other more frequent communications forums to manage processes and communicate necessary improvements to increase program efficiency and effectiveness. LED management meets weekly to review all ongoing financial commitments involving business development projects and economic development partners to ensure financial commitments with external parties are met in a timely, responsible manner. LED's executive team meets weekly with business development staff to manage business

development projects and announcements currently being worked by the department. The LED executive team then meets weekly to review progress and implement solutions to improve processes. And finally, the LED executive team communicates priorities, progress, and improvements to all LED staff through a series of staff meetings and through the LED Annual Business Plan.

Internal Audits

LED has two full-time internal auditors on staff, and internal auditing is an integral part of the department's strategic objectives. The internal auditors work with divisions to improve processes and minimize findings from external audits. An annual internal audit plan is developed and the plan is tracked through the performance accountability system.

External Audits

A strategic objective for quality management and administration is to have no repeat Legislative Audit findings. For many years LED has been successful in implementing recommended improvements to achieve the standard of zero repeat findings. LED also tracks the department's success in the State Loss Prevention Program Audit and has consistently received a 5% savings in risk management insurance premiums for maintaining a safe work environment.

Online Tracking Tools

LED's use of online tools to track business plan initiatives, activities and other strategic performance metrics provide management the ability to continuously monitor the department's progress toward achieving improvement goals and objectives.

Policy, Research, Planning, and/or Quality Assurance Functions (in-house)

Process review and realignment is an integral part of streamlining existing processes to ensure quality service delivery and to centralize and preserve institutional knowledge for the future of the department. Over the past four fiscal years, LED has reviewed multiple processes with various client "contact points" through implementation of online application and tracking systems. Processes are reviewed and streamlined where possible to reduce the burden on existing businesses and those contemplating a move to the state.

Benchmarking for Best Management Practices

LED's State Economic Competitiveness team conducts extensive benchmarking analyses to better understand how Louisiana is positioned relative to other states and countries on key factors impacting economic growth of the state.

Performance Progress Reports (LaPAS)

The department has a full-time policy planning analyst as the Louisiana Management Coordinator managing all aspects of the performance accountability system. The policy planning division works with all budget office and legislative staff who review LED's performance progress to identify appropriate performance measures and with all LED divisions in tracking and reporting accurate performance data.

The Policy and Planning section prepares quarterly progress review reports for executive management which highlight areas of concern for potential resource reallocation. LED tracks its strategic performance objective achievement levels in the LaPAS database and has consistently exceeded more than 80-85% of the department's leading indicator targets annually. LED also reviews annual performance levels with budget office and legislative staff who are assigned to monitor the department's performance progress.

In-House Performance Accountability System/Process

LED has a Performance Accountability Policy. This policy identifies the performance accountability duties and responsibilities of all department staff. The policy outlines reporting timelines, required approvals procedures, as well as approved data sources and tracking systems.

Customer/Stakeholder Feedback

LED routinely solicits feedback from internal and external customers to determine satisfaction levels with service delivery. Customer feedback is collected through online surveys and reported to executive management. Customer satisfaction levels are relatively high throughout the department, with satisfaction ratings averaging in the 90% range.

EVALUATION REPORTS

For the past seven fiscal years, LED has been guided by an internal Business Plan, measuring progress against the plan's goals and objectives much like any private sector enterprise. This plan is in addition to, and complementary toward, LED's statutory strategic and operational plans.

LED identified potential improvement opportunities through an organizational performance audit, and identified major impacts on the efficiency and effectiveness of LED's operations. Implementing solutions outlined in its annual Business Plan has assisted LED in delivering upon its aspiration of becoming the top state economic development organization in the country and repositioning Louisiana as the next great American state for business investment, quality of life, and economic opportunity.