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This is your authority to publish in the (month) December, 2022 *Louisiana Register* the document indicated above.

Office of Business Development

Office/Board/Commission promulgating this document

Anne G. Villa Undersecretary

(name) (title)  
 Name and title of person whose signature will appear in the publication (at the end of the document)

Department of Economic Development

Department under which office/board/commission is classified

Michael Tepper (225) 342-3725

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 Name, phone number, and FAX number of person to contact regarding this document

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E-mail address of contact person

Louisiana Competes Program

Short descriptive listing for this document to be used in the *Louisiana Register's* TABLE OF CONTENTS/INDEX

File name

*Anne G. Villa*

Signature of Agency Head or Designee

Anne G. Villa, Undersecretary

Print Name and Title of Agency Head or Designee

**Important:** If submitting both an Emergency Rule (ER) and a Notice of Intent (NOI) to be published this month, AND if the rule text in the ER is identical to the rule text in the NOI, check here:

CERTIFICATION OF AVAILABLE FUNDS

DOCUMENT # \_\_\_\_\_

**LAGOV AGENCY:**

I certify the availability of fiscal year 23 appropriated funds for the payment of the above referenced publication and authorize the processing of an Interagency Billing with the following coding on the 30th of the month of the publication. Attach supplemental sheet for additional lines of coding.

2521011006

<u>252</u>	<u>2522141400</u>	<u>2520000000</u>					
Business Area	General Ledger	Cost Center	Grant	Fund	WBS	Internal Order	Functional

**NON-LAGOV AGENCY:**

I certify the availability of fiscal year 23 appropriated funds for the payment of the above referenced publication and agree to place corresponding invoice in line for payment upon receipt.

**Billing Contact Information:**

Department of Economic Development

Agency Name

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Agency E-Mail Address for Billing

Signature of Agency Head or Designee

Phone Number

Per Page Charge \_\_\_\_\_ + Revision Charge \$ \_\_\_\_\_ = TOTAL \$ \_\_\_\_\_

## NOTICE OF INTENT

### Department of Economic Development

#### Louisiana Competes Regional Economic Development Program – “Louisiana Competes Program”

(LAC 19:Part III,Chapter 21)

The Department of Economic Development, Office of Business Development, as authorized by and pursuant to the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., R.S. 36:104, 36:108 and 39:1481 *et. seq.*, hereby give notice of their intent to adopt Rules for the Louisiana Competes Regional Economic Development Program, abbreviated and to be known as the “Louisiana Competes Program”.

#### Title 19

#### Part III. Financial Assistance Programs

#### Chapter 21. Louisiana Competes Regional Economic Development Program – “Louisiana Competes Program”

##### §2101. Preamble and Purpose

- A. The legislature recognizes the strong competition among states to attract new business and industry and to grow existing business and industry.
- B. It is further recognized that different regions have different characteristics and attributes which are advantageous to specific sectors of the economy.
- C. The legislature believes that local citizens working through regional economic development organizations (“REDO’s”) are uniquely positioned to support the state’s overall economic development efforts by identifying and directing how certain resources are best utilized to take advantage of a region’s distinctive economic potential.
- D. The purpose of this program is therefore for the Department of Economic Development, (“LED”) to provide grants to REDO’s to provide locally developed and tailored services directly relating to attracting new business and industry and growing existing business and industry.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1481 et. seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development

##### §2103. Definitions

*Cooperative Endeavor Agreement* – that agreement between a regional economic development organization and LED, through which the parties set forth the amount of the grant, the terms, conditions and compliance requirements. Abbreviated as CEA.

*Grant* – an award from the Louisiana Competes Economic Development Program to a regional economic development organization.

*LED* – the Louisiana Department of Economic Development.

*Louisiana Competes Program* – this program, the Louisiana Competes Regional Economic Development Program.

*Other property* – property that is not publicly owned, to the extent allowable under Article VII, Section 14 of the Louisiana Constitution or other applicable state law, as approved by LED.

*Public site* – a site which a public entity owns.

*Qualified expenditure* – in accordance with R.S. 39:1484, #2107 of these program rules, and as confirmed and approved by LED.

*Regional economic development organization* – any of the following eight organizations: the Baton Rouge Area Chamber; the Central Louisiana Economic Development Alliance; Greater New Orleans, Inc.; the Northeast Louisiana Economic Alliance; the North Louisiana Economic Partnership; One Acadiana; the South Central Planning and Development Commission; the Southwest Louisiana Economic Development Alliance, or any of their successors. Abbreviated and also known as “REDO”,

*Secretary* – the Secretary of the Department of Economic Development

*Site* – immovable property, with or without improvements thereon, located in the state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1481 et. seq.

HISTORICAL NOTE: Promulgated by the Department of Economic Development, Office of Business Development

#### **§2105. Award Process**

- A. The secretary shall promulgate administrative rules for the program, in accordance with the Administrative Procedure Act and in consultation with the 8 enumerated REDO’s and the Louisiana Chamber of Commerce Foundation.
- B. Within thirty calendar days after adoption of program rules, the REDO’s and the state, through LED, shall enter into an initial cooperative endeavor agreement (“CEA”), which will specify the objectives and intent of the REDO’s, the amount of the award, the terms and conditions of the award and the compliance requirements to be confirmed by LED. REDO obligations shall be limited under the CEA to the following:
  1. Identifying high-priority sites for the purpose of attracting economic development projects;
  2. Developing high-priority sites for the purpose of attracting economic development projects;
  3. Developing and subsequently providing an annual report of all activities related to the objectives of the CEA undertaken in any previous year;
  4. Maintaining records and an accurate accounting of all expenditures;
  5. Adhering to state and federal non-discrimination laws;
  6. Adhering to the provisions of R.S. 39:1602.1;
  7. Applying a ten percent (10%) local match;
    - a. A REDO shall not expend any grant funds without simultaneously applying local matching funds equaling ten percent (10%) of the cost being paid.
    - b. Local matching funds cannot come from the LED provided Regional Awards and Matching Grant Program Tier 1 funds;
    - c. Funds originating from any lawful source other than the state shall constitute local matching funds.
- C. The initial CEA with each REDO shall have a term of two years, which shall automatically renew for successive one-year periods until such times as all initial funds provided for in the CEA have been expended, as verified and confirmed in writing by LED.

- D. Funds may be disbursed by LED to REDO's after execution of a CEA on a cost reimbursement basis, or may be direct vendor pay by LED on behalf of REDO, after submission of all required compliance documentation to LED.
- E. Each REDO shall receive a grant in the amount of up to one-eighth of the funds appropriated;
  - 1. An initial grant in the amount of up to \$1 million shall be allocated to each REDO, in accordance with a total program allocation of \$8 million incorporated in Act 170 of the 2022 Regular Session of the Louisiana Legislature;
  - 2. Thereafter, each REDO shall receive a subsequent grant in the amount of up to one-eighth of any annual funds specifically appropriated to LED for the Louisiana Competes Program.

AUTHORITY NOTE: Promulgated in accordance with R.S. 39:1481 et. seq.

HISTORICAL NOTE: Promulgated by the Department Economic Development, Office of Business Development

**§2107. Qualified Expenditures**

- A. REDO's shall only use grant funds to pay for qualified expenditures related to the furtherance of economic development within the region it represents.
- B. Qualified expenditures are limited to site development costs for publicly owned property or other property to the extent allowable under Article VII, Section 14 of the Constitution of Louisiana and other applicable state law, as approved in writing by LED.
  - 1. Grant awards for development of other property, in proportion to awards for development of publicly owned property, may be limited by the secretary if determined to be in the best interests of the state.
- C. Eligible site development costs may include but not be limited to the following:
  - 1. Studies;
  - 2. Surveys;
  - 3. Development of plans and specifications;
  - 4. Real estate services and transactions, such as option agreements, rights of first refusal and infrastructure improvements may be considered qualified expenditures if they further attributes of the site as a developable property and adequate supporting documentation is submitted to LED. LED will evaluate submissions on a case by case basis, but would consider the following to be examples of improvements:
    - a. The construction of water, sewer or rail lines, roads or the development of rights of way.
    - b. The removal of an existing structure;
  - 5. Due diligence;
  - 6. Remediation;
  - 7. Wetland delineation;
  - 8. Professional services for architectural, engineering, legal, construction, and financial services related to site development.
- D. Ineligible site development costs may include but not be limited to the following:
  - 1. Salaries, wages or benefits;
  - 2. Travel expenses incurred by REDO officers, employees or contractors;
  - 3. Alcohol;
  - 4. Land, building, offices, equipment, or vehicles used primarily for the administrative operations of the REDO.

**AUTHORITY NOTE:** Promulgated in accordance with. R.S. 39:1481 et. seq.

**HISTORICAL NOTE:** Promulgated by the Department of Economic Development, Office of Business Development

**Family Impact Statement**

The proposed Rule is not anticipated to have an impact on family formation, stability, and autonomy as described in R.S. 49:972.

**Poverty Statement**

The proposed Rule is not anticipated to have an impact on poverty as described in R.S. 49:973.

**Provider Impact Statement**

The proposed Rule is not anticipated to have an impact on providers of services as described in HCR 170 of the 2014 Regular Legislative Session.

**Small Business Analysis**

The purpose of this program is to provide additional state funding to regional economic development organizations throughout the state who are charged with retaining and growing business and industry of both and small scale businesses. Participation in the program by REDO's may cause a direct economic impact on small businesses, however, the benefit from additional funding received, at a nominal cost of some additional planning and paperwork associated with the compliance and reporting requirements should provide a positive impact to any small businesses.

**Public Comments**

Interested persons should submit written comments on the proposed Rules to Michael Tepper through the close of business on Tuesday, January 24, 2023 at Department of Economic Development, 617 North 3<sup>rd</sup> Street, 11<sup>th</sup> Floor, Baton Rouge, LA 70802 or via email to Michael.Tepper@la.gov.

**Public Hearing**

A meeting for the purpose of receiving the presentation of oral comments will be held at 10:00 a.m. on Wednesday, January 25, 2023 in the Griffon Conference Room at the LaSalle Building, 617 North 3rd Street, Baton Rouge, LA 70802.



Anne G. Villa  
Undersecretary, LED

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

Person Preparing Statement: KARL SCHULTZ Dept: Department of Economic Development  
Phone: 225-803-7582 Office: Office of Business Development  
Return Address: 617 North Third Street Rule Title: LOUISIANA COMPETES  
Baton Rouge, LA 70802  
Date Rule Takes Effect: Upon promulgation

SUMMARY  
(Use complete sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule establishes program guidelines for the Louisiana Competes Program authorized by Act 356 of the 2022 Regular Session.

The Department of Economic Development (LED) anticipates no impact on implementation costs or savings as a result of the proposed rules. Minimal LED resources should be required to administer the program as it only involves working with eight external entities. Existing LED staff and resources should be sufficient to administer the program. Regional economic development organizations (REDOs) will administer the program at the local level. Some administrative resources will be required, though expected to be nominal. In order to receive grant funding for qualified expenditures, a local match of 10% must be obtained.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

State and local governments should experience future revenue increases, to the extent the program is successful regarding economic development efforts. The program and grant funding for site development projects may also result in increased economic activity related to providing those site development services. Any increased economic activity should result in increased state and local revenue collections, to varying degrees of impact.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

REDOs will have related administrative costs while benefiting from the ability to provide additional services. Small businesses, particularly those involved with providing site development services, may benefit from increased demand for site development services.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Grant awards and resulting activity, particularly related to providing site development services, may result in marginal employment increases in related industries. Attracting additional economic development project wins will impact competition and employment, to the extent the program is responsible.

  
Signature of Agency Head or Designee  
Anne G. Villa, Undersecretary

Typed Name & Title of Agency Head or Designee

12/9/22

Date of Signature

  
Legislative Fiscal Officer or Designee

12/9/22

Date of Signature

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriate legislative oversight subcommittee in its deliberation on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption, or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of both the current and proposed rules with amended portions indicated).

Establishes program rules for the Louisiana Competes Program, a grant program for site development.

- B. Summarize the circumstances, which require this action. If the action is required by federal regulation, attach a copy of the applicable regulation.

Act 556 of the 2022 Legislative Session established a grant program for site development.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No, the proposed rule change should not result in any increase in expenditure of funds.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) \_\_\_\_\_ Yes. If yes, attach documentation.

(b) \_\_\_\_\_ NO. If no, provide justification as to why this rule change should be published at this time

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM THE ACTION PROPOSED**

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

N/A

<b>COSTS</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>
Personal Services			
Operating Expenses			
Professional Services			
Other Charges			
Equipment			
Major Repairs & Constr.			
<b>TOTAL</b>			
<b>POSITIONS (#)</b>			

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

LED anticipates no impact on implementation costs or savings as a result of the proposed rules. Minimal LED resources should be required to administer the program as it only involves working with eight external entities. Existing LED staff and resources should be sufficient to administer the program.

3. Sources of funding for implementing the proposed rule or rule change.

N/A

<b>SOURCE</b>	<b>FY 22</b>	<b>FY 23</b>	<b>FY 24</b>
State General Fund			
Agency Self-Generated			
Dedicated			
Federal Funds			
Other (Specify)			
<b>TOTAL</b>			

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

N/A

**B. COST OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.**

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

To participate in the program, each regional economic development organization (REDO) must enter into a Cooperative Endeavor Agreement with LED. REDOs will also be required to maintain records, provide annual reports, and adhere to various state and federal laws. LED anticipates these administrative costs to be nominal given existing activities already undertaken by each REDO.

In order to receive grant funding for qualified expenditures, a local match of 10% must be obtained.

REDOs and local governments may experience additional administrative costs related to operating and marketing the program.

REDOs have some discretion in how the program is designed, marketed, and operated, which will likely impact the administrative costs for each REDO.

To the extent program grant awards cover any costs that would have been incurred already, local and



regional governments may experience cost savings.

Due to these factors, the level of cost or savings cannot be determined.

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

The degree to which costs or savings will be experienced cannot be reliably estimated (see above).

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS**

A. What increase (decrease) in revenues can be anticipated from the proposed action?

<b>REVENUE INCREASE/DECREASE</b>	<b>FY 23</b>	<b>FY 24</b>	<b>FY 25</b>
State General Fund	See Below	See Below	See Below
Agency Self-Generated			
Dedicated Funds*			
Federal Funds			
Local Funds	See Below	See Below	See Below
<b>TOTAL</b>	<b>See Below</b>	<b>See Below</b>	<b>See Below</b>

\*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A." Describe all data, assumptions, and methods used in calculating these increases or decreases.

To the extent the program is successful and results in attracting incremental capital investment and/or job growth, state and local governments should experience future revenue increases. The extent of these future revenue increases cannot be estimated and depends on the nature of any future developments as well as any other incentive programs the project may be offered.

The program and grant funding for site development projects may also result in increased economic activity related to providing those site development services (e.g., site studies, surveys, remediation, other due diligence). Any increased economic activity should result in increased state and local revenue collections. These related revenue increases will likely be negligible at the state level but could be more significant at the local level depending on the relative size of the projects and taxing jurisdictions.

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS**

- A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.), they may have to incur as a result of the proposed action.

REDOs will be required to maintain records, provide annual reports, and adhere to various state and federal laws. LED anticipates these administrative costs to be nominal given existing activities already undertaken by each REDO. REDOs will benefit from the grant funding to the extent it enables them to provide additional services and attract additional economic development projects.

Small businesses, particularly those involved with providing site development services, may benefit from increased demand for site development services. Site development services include site studies, surveys, remediation, other due diligence, infrastructure improvements, and other real estate, architectural, engineering, legal, construction, financial, and related services. Participating small businesses may be required to provide additional documentation but any compliance requirements should be nominal.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

See narrative description of estimated economic benefits above.

**IV. EFFECTS ON COMPETITION AND EMPLOYMENT**

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

Grant awards and resulting activity, particularly related to providing site development services, may result in marginal employment increases in related industries.

To the extent the program is successful in attracting additional capital investment and/or job growth, there will be future impacts to employment. However, given the size of this program relative to other economic development programs offered and the myriad other factors involved with site location and investment decisions, the extent to which this program is directly responsible will likely be limited.