

Oyster Aquaculture Grant Program

STATE OF LOUISIANA

DEPARTMENT OF WILDLIFE AND FISHERIES

**2024 ALTERNATIVE OYSTER CULTURE
GRANT GUIDELINES**

GENERAL INFORMATION

Purpose

The purpose of 2024 Alternative Oyster Culture Grant Program is to provide funding to a qualified applicant, or applicants, for the development of a large-scale off-bottom oyster (*Crassostrea virginica*) aquaculture project in Louisiana. Funding for this program was specifically appropriated to the Coastal Protection and Restoration Authority (CPRA) by the Louisiana Legislature during the 2023 regular legislative session, and subsequently provided to the Louisiana Department of Wildlife and Fisheries (LDWF) for this purpose. Although Louisiana leads the nation in the traditional (on-bottom) production of oysters, there is increasing interest in alternative oyster aquaculture in Louisiana. Recent scientific research by Louisiana State University has suggested that large-scale alternative oyster aquaculture may be a more economically sustainable path for the off-bottom oyster industry in Louisiana. Therefore, this funding opportunity is meant to promote a large-scale alternative oyster aquaculture effort similar to smaller-scale efforts previously funded by LDWF. The term “large-scale” for the purpose of this grant program is a project that has the capability of producing, at minimum, two million oysters per year through off-bottom oyster culture techniques.

Goals/ Objectives/Performance Measures

The Louisiana Department of Wildlife and Fisheries (LDWF) intends to provide up to \$1,000,000 to the applicant(s) with the most developed business plan, competitive amounts of working capital, levels of financial and/or in-kind match, and experience for the purpose of establishing a large-scale oyster aquaculture operation. All reasonable requests will be considered.

Performance will be monitored by designated staff of the Marine Fisheries Section through progress reports, on-site visits, regularly-scheduled meetings, e-mails, and phone calls with the recipient for the duration of the grant. Written progress reports for the project, signed by the recipient, will be due as described in APPENDIX A, within 30 days of the end of each period and a final report upon submission of the final invoice at the end of the project. Progress reports must

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show the status of all tasks, problems encountered and proposed solutions, and meet the approval of the Assistant Secretary of the LDWF Office of Fisheries.

Performance will be measured by timely submission of progress reports which clearly describe project status and completion of performance elements of all tasks identified in the Scope of Services, and by verified accuracy, completeness and timeliness of task completion and system performance.

Minimum Qualifications of Applicant

- Recipient must be one of the following:
 - Private individual and considered a Louisiana resident; or
 - Private company or organization and registered with the Secretary of State in Louisiana; or
 - Governmental or public entity within a political subdivision of Louisiana; or
 - Combinations of the above
- Recipient must possess or have the ability to possess an appropriate
 - Wholesale/Retail Dealer License, and
 - Domesticated Aquatic Organism (DAO) permit, and/or
 - Alternative Oyster Aquaculture (AOC) permit;
 - Any necessary permits required by the Louisiana Department of Health.
- Recipient or staff must possess or have the ability to possess the appropriate licenses or other legal documents required to conduct business in the state of Louisiana
- Business Plan as described in APPENDIX B
- Currently possess or provide plan to acquire (build, purchase or lease) property appropriate for such an endeavor in Louisiana (Grant funds may not be used to lease or purchase land)
- Documentation, acceptable to LDWF, to prove a financial and/or in-kind commitment of at least 1:1 to the amount of funds sought by the applicant under this program
- Comply with LDWF Domesticated Aquatic Organism permit reporting regulations
- Agree to enter into a Cooperative Endeavor Agreement with LDWF

RESPONSE INSTRUCTIONS

Document Submission

Documents must be received on or before August 31, 2024. Applicants may email documents to pbanks@wlf.la.gov. Applicants mailing their documents should allow sufficient mail delivery time to ensure receipt by the specified date, and may mail it to the following address:

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Patrick Banks
Biologist Administrator
Louisiana Department of Wildlife and Fisheries
P. O. Box 98000
Baton Rouge, LA 70898-9000

For courier delivery, the street address is 2000 Quail Drive, Baton Rouge, LA 70808. It is solely the responsibility of each applicant to assure that his/her documents are delivered at the specified place and prior to the deadline for submission. Late submissions will not be considered for any reason.

ADMINISTRATIVE INFORMATION

All questions should be directed to the Biologist Administrator listed below:

Patrick Banks
Biologist Administrator
Louisiana Dept. of Wildlife and Fisheries
PO Box 98000
Baton Rouge, LA 70898-9000
225-765-2370 (office)
pbanks@wlf.la.gov

Grant period

Grant funding and reporting will occur over 1-3 year period depending on the nature of the selected project.

Award Amount

The maximum award amount is \$1,000,000.

Calendar of Events (approximate)

EVENT	DATE
Advertise Grant and Distribute Application	July 15, 2024
Deadline for Receiving Applications	August 30, 2024
Announcement of Recipient	September 30, 2024

NOTE: The State of Louisiana reserves the right to amend and/or change this schedule of Grant activities, as it deems necessary.

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EVALUATION AND SELECTION

Evaluation Team

Applications will be evaluated by a team, designated by LDWF. The recipient will be determined according to the evaluation criteria.

Evaluation Criteria

All applications will be reviewed to determine compliance with the qualifications/requirements as specified in the guidelines and application. Applications that do not meet the qualifications/requirements will be removed from further consideration.

The Evaluation Team will evaluate and score the applications using the evaluation criteria described in APPENDIX D. The scoring criteria are summarized in the following table:

Evaluation Scoring

CRITERIA	MAXIMUM SCORE
1. Business Plan (Approach and Methodology)	45
2. Available Capital and Match	15
3. Project Management Experience	25
4. Production Capacity	15
TOTAL SCORE	100

The Evaluation Team will compile the scores and make a recommendation to the Assistant Secretary of the LDWF Office of Fisheries.

Payment:

Payments will be made not more frequently than monthly on a cost reimbursable basis upon submission of a report and supporting documentation as described in Scope of Services in Appendix A.

Use of Funds:

Funds may be used as necessary to carry out the functions and tasks described in the Scope of Services, including but not limited to facility modifications, salaries, equipment purchases, and other operating costs.

Funds may **NOT** be used to pay the salary of any owner or principal.

Funds may **NOT** be used to lease or purchase a facility or property.

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Funding will not be provided for costs incurred prior to the execution date of the Cooperative Endeavor Agreement, although such costs may be considered for match requirements.

Confidentiality

Recipient shall protect from unauthorized use and disclosure all information relating to the State's operations and data (e.g. financial, statistical, personal, technical, etc.) that becomes available to Recipient in carrying out this agreement. Recipient shall use protecting measures that are the same or more effective than those used by the State. Recipient is not required to protect information or data that is publicly available outside the scope of this contract; already rightfully in recipient's possession; independently developed by recipient outside the scope of the agreement; or rightfully obtained from third parties.

Under no circumstance shall recipient discuss and/or release information to the media concerning this project without prior express written approval of the State.

Statements of Understanding

All owners and corporate officers should initial and sign all statements and understandings that are listed in Appendix E.

APPENDIX A

SCOPE OF SERVICES

The recipient is to implement the accepted business plan to establish a new, or expanded, oyster aquaculture operation in Louisiana. Any changes to the accepted business plan shall be approved by LDWF.

Deliverables

The deliverables listed in this section are the minimum required elements from the recipient. It is expected that the recipient will exceed these minimum requirements. Reports should include an expense report with all invoices for which reimbursement is requested, and should be submitted to the LDWF-designated contract manager not later than 30 days after the end of the corresponding quarter.

Monthly/Quarterly Report

- Submittal Date
- Author of Quarterly Report and contact information
- Discussion of progress toward the goals and objectives described in the business plan
- Discussion of any changes to the implementation of the business plan
- Detailed use of grant funds provided
- Change in financial assumptions due to change in scope of project
- Budget update including changes to the original budget, spending against original budget, amount spent by budget category, etc.
- Changes in staff
- Risks and/or problems, and action taken to mitigate situation including delays in project, difficulty in selling product

Final Report

- Final Report which includes all required information listed in Monthly/Quarterly Reports and the following:
 - Plan for future growth
 - Reported sales and profit from any products that may have been produced
 - Detail problems experienced and proposed solutions
 - Methods or processes that proved successful
 - Possible improvements of existing techniques or existing production

APPENDIX B

BUSINESS PLAN

The Applicant will submit a business plan for the appropriate time period to establish a new marine aquaculture operation in Louisiana. The business plan should follow the format below but can include more information.

1. The Business

- Description of business
 - Describe the overall business operations.
 - Business contact information
 - Federal Tax ID Number/Business Tax Number (SSN or EIN)
 - List all owners and corporate officers and clarify ownership percentage
 - Description of work that needs to be completed to become operational
 - Project location map
 - Project engineering plans if applicable
 - Project timeline
- Aquaculture Products
 - Species reared and feasibility justification for the species chosen
 - Products produced
 - Production volume and sales projections for the two years following anticipated operation commencement
- Management/Administration
 - Principles and management staff
 - Jobs created
 - Numbers and description of lead workers and laborers must be identified

2. Budget Narrative:

- A projected budget and budget narrative for the time period of the business plan, including any assumptions on which the projections are based
- All examples of available and applicable capital which demonstrates the ability to establish a new alternative oyster aquaculture facility.
- Any and all financial commitments that would be utilized to meet the 1:1 match requirement for the amount of funds being requested under this program.

3. The following attachments **MUST** be provided:

- Resumes for all principles and management staff as detailed in APPENDIX C

- Copy of Louisiana Driver's License or ID
- Copy of proposed lease or purchase agreement for property, or proof of ownership
- Copy of required licenses or other legal documents required to conduct business in the state of Louisiana

APPENDIX C

RESUME

The following information **MUST** be included for each principal and management staff member. Additional information may be included, but is not required.

1. All Individuals

- Name
- Position/Title in Business
- Complete Contact Information
- Role and Responsibility in Business
- Planned Level of Involvement (Full Time, or if Part Time Hrs / Wk)
- Planned number of days per week this staff member will be on-site
- Anticipated Duration of Involvement
- Education
- Applicable Training
- Relevant and Related Experience
- Any Applicable Certifications

2. Project Management Experience

- Years of experience in the following:
 - Aquaculture Production, including shellfish-specific experience
 - Seafood Processing
 - Seafood Distribution
 - Marketing
- Any additional experience that may contribute to project success

APPENDIX D

Evaluation Criteria

1. Business Plan (Approach and Methodology)-45 points

CRITERIA	MAXIMUM SCORE
Business Plan (Approach and Methodology)	45 points
Species/Operational Feasibility <ul style="list-style-type: none"> • Plan shows a feasible approach given the proposed species biology and described operation procedures • Project timeline is reasonable for the work detailed in the business plan 	20 points
Facility Feasibility <ul style="list-style-type: none"> • Plans show the facility/property/equipment design is appropriate for the proposed species • Local environmental conditions associated with the facility/property/equipment are appropriate • The facility/property/equipment is already permitted or is expected to have minimal permitting concerns 	20 points
Jobs Created	5 points

- a. Feasibility will be scored using a ranking system of 1-5, with 1 being the lowest rank and considered the least feasible and 5 being considered the most feasible.
 - Points awarded by rank; 1=4pts, 2=8pts, 3=12pts, 4=15pts, 5=20pts
- b. Jobs Created will be evaluated on a percentage basis with consideration of the relationship between planned number of jobs and the maximum number of jobs proposed by all applicants.

$$\frac{\text{Planned Number of Jobs}}{\text{Maximum Proposed Number of Jobs}} \times 5 = \text{Points Awarded}$$

2. Available Capital and Match-15 points

CRITERIA	MAXIMUM SCORE
Available Capital and Match	15

- c. All examples of available and applicable capital to be used as match which demonstrates the ability to implement the proposed business plan. Examples may include but are not limited to the following:
- Titles of ownership of equipment or property
 - Receipts for any applicable equipment purchased
 - Loan documents
 - Vehicle/vessel Titles
 - Prepared financial Statement
 - Complete Bank Statement showing available funds for two months
 - Proof of investments such as 401k, IRA accounts, etc. (Proof of deem-ability required)
 - Any type of backed bonds that are deemed cashable if needed (Proof of deem-ability required)
- d. Points will be issued based on the relationship between available capital and the award amount requested.

Example:

$$\frac{\text{Total Available Capital}}{\$1,000,000^1} = \text{Points Awarded (maximum of 15 points)}$$

3. Project Management Experience-25 points

CRITERIA	MAXIMUM SCORE
Project Management Experience <ul style="list-style-type: none"> • Qualification level of combined project staff experience in all areas 	25

- a. Qualification level based on submitted resumes will be scored using a ranking system of 1-5, with 1 being the lowest rank and considered the least qualified and 5 being considered the most qualified.
- Points awarded by rank; 1=5pts, 2=10pts, 3=15pts, 4=20pts, 5=25pts

¹ Assuming the amount requested by the applicant is \$1,000,000. This denominator would change should the amount requested differ.

4. Production Capacity-15 points

CRITERIA	MAXIMUM SCORE
Production Capacity (numbers of oysters)	15

- a. Production Capacity will be evaluated on a percentage basis with consideration of the relationship between planned production capacity and maximum capacity proposed by all applicants.

$$\frac{\text{Planned Production Capacity (oysters)}}{\text{Maximum Proposed Capacity (oysters)}} \times 15 = \text{Points Awarded}$$

APPENDIX E

Statements of Understanding

All Owners and Corporate Officers **MUST** initial and sign all of the following:

- _____ **Income Tax Reporting:** The undersigned understands that an IRS 1099G will be issued to grant award recipients. Award recipient understands that all or a portion of the grant funds may be treated as taxable income for U.S. or State income tax purposes.
- _____ **Public Announcements:** If the award recipient wishes to issue a public announcement concerning this award, the text of the proposed announcement must be submitted to LDWF for review and approval prior to the release date. The Louisiana Department of Wildlife & Fisheries must be mentioned in any public announcements.
- _____ **No Right of Assignment or Delegation:** The award recipient may not assign or otherwise transfer its rights or delegate any of its obligations under this letter unless expressly approved by LDWF.
- _____ **Revocation:** LDWF reserves the right to revoke this award if the funds are not used for the stated purpose. The award recipient understands and agrees that revocation of this award will require the return of all funds disbursed. The recipient will be obligated to repay some or all funds received under this program in the event that (a) its application including any information provided therewith or thereafter contains any material misrepresentations; or (b) the award was made in error and the applicant is not entitled to some or all assistance under the Program Guidelines.
- _____ **Monitoring & Records:**
- a) This award may be used only for the purposes stated herein. Documents providing evidence of the use of the funds from this award shall be retained by award recipient for five years after the close out of the program.
 - b) LDWF reserves the right to monitor usage of award funds. Such monitoring will include review that the entire amount of the award was used only for the expenses as specified above in accordance with your proposal.
 - c) LDWF may, during regular business hours and on reasonable notice to award recipient, inspect, audit, or copy records pertaining to this award. It is further agreed that the LDWF and/or the Legislative Auditor of the State of Louisiana shall have the option of auditing all records and accounts of award recipient that relate to this grant at any time during normal business hours, as often as deemed necessary, to audit, examine, and make excerpts or transcripts of all relevant data.
 - d) Recipients' failure to cooperate in such review will result in forfeiture of the award amount and recipients will be responsible for repaying the full amount of funds disbursed.
- _____ **Information Access Authorization:** In the event that additional information not included with the initial application is required to obtain an approval of the application, the undersigned agrees to provide that information in a timely manner in order to complete the processing of the request. The undersigned gives permission to LDWF to use its name in LDWF's mandated reports. No financial details will be released, except possibly the award amount, as this is considered public record. The undersigned authorizes LDWF to exchange and obtain information relevant to the applicant's commercial license and permit status. The undersigned also acknowledges that all information relative to the loan request, including these related documentation checks, becomes the property of LDWF and will not be returned to the applicant.
- _____ **Affirmation of Information Provided in Application:** By the applicant's signature below, the applicant represents and warrants that he/she has read this application and Statement of Understanding and attests that all information and documentation furnished in connection with the application is true, accurate and complete to the best of his/her knowledge and that any regulations relative to the grant program will be followed. Individuals and/or businesses found to be willfully providing fraudulent information may be prosecuted.

OWNER NAME: _____

SIGNED: _____

TITLE: _____

DATE: _____