

STATE OF LOUISIANA
 BOARD OF COMMERCE & INDUSTRY
 BEING HELD ON WEDNESDAY, MARCH 1, 2023
 AT THE LASALLE BUILDING
 617 North Third Street, FLOOR 1, LABELLE ROOM
 Baton Rouge, Louisiana

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

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22
23
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I N D E X

	PAGE
CAPTION	1
APPEARANCES	3-6
PROCEEDINGS	7
REPORTER'S CERTIFICATE	240

1 APPEARANCES :

2 BOARD MEMBERS PRESENT :

3 CHAIRMAN JERALD JONES

4 RONNIE SLONE

5 DR. BEVERLY B. THOMPSON (ABSENT)

6 STUART A. MOSS

7 JERRY ZACHARY LEMOINE, PROXY FOR DR. SHAWN D.

8 WILSON, DESIGNEE FOR GOVERNOR

9 KENNETH HAVARD

10 REPRESENTATIVE STUART J. BISHOP

11 JAN K. MOLLER (ABSENT)

12 RICKEY L. FABRA (ABSENT)

13 SENATOR BARRY MILLIGAN, PROXY FOR SENATOR MIKE

14 REESE (ABSENT)

15 SECRETARY DON PIERSON

16 SANDRA MCQUAIN

17 DR. WOODROW WILSON, JR. (ABSENT)

18 REPRESENTATIVE VINCENT ST. BLANC

19 MAYOR DAVID H. TOUPS

20 YVETTE COLA

21 GUY S. MCINNIS

22 NAHEEM "GEORGE" NASSAR, JR.

23 BRANDON BURRIS, DESIGNEE FOR LIEUTENANT GOVERNOR

24 MANUEL "MANNY" FAJARDO (ABSENT)

25 SENATOR R.L. "BRET" ALLAIN

1 DARREL J. SAIZAN, JR., (ABSENT)

2 MARSHALL J. SIMIEN, JR.

3 TRAVIS HOLLEY

4 STAFF MEMBERS PRESENT:

5 ROBIN PORTER

6 DEBORAH SIMMONS

7 FRANK FAVALORO

8 KRISTIN CHENG

9 HUD USIE

10 TRAVIS ROSENBERG

11 JOYCE METOYER

12 STEPHANIE LE GRANGE

13 TEDRA CHEATHAM

14 MICHAELA ADEGBE

15 BRENDA GUESS

16 OLEVIA SHAUBAUGH

17 YANCY LE GRANGE

18 LARRY COLLINS

19 SPEAKERS FROM THE PUBLIC:

20 WILLIAM FISH, FINANCE MANAGER, MAUSER USA, LLC,

21 DARRELL HUNTER, PLANT MANAGER, MAUSER USA, LLC,

22 KEVIN CAUSEY, GEO HEAT EXCHANGERS, LLC, CHIEF HUMAN
23 RESOURCES OFFICER

24 JOLENA BROUSSARD, MANAGER, STRATEGIC ENGAGEMENT AND
25 COMMUNICATIONS, CORNERSTONE CHEMICAL COMPANY,

1 SPEAKERS FROM THE PUBLIC CONTINUED:
2 FREDERICK PALMER, CORPORATE AND GOVERNMENT
3 RELATIONS REGIONAL MANAGER, EQUILON ENTERPRISES,
4 LLC, DBA SHELL OIL PRODUCTS US
5 WADE PHILLIPS, TAX COUNSEL, EQUILON ENTERPRISES,
6 LLC, DBA SHELL OIL PRODUCTS US
7 JIMMY LEONARD, ADVANTOUS CONSULTING
8 CHRIS TODARO, THE FOLGERS COFFEE COMPANY
9 CARLOS LUIS ZERVIGON, VICE PRESIDENT, ORLEANS
10 PARISH SCHOOL BOARD
11 ERIN HANSEN, RESIDENT, MEMBER OF TOGETHER
12 NEW ORLEANS, TOGETHER LOUISIANA
13 MARY ANNE MASHAFT, RESIDENT, MEMBER OF TOGETHER
14 NEW ORLEANS, TOGETHER LOUISIANA
15 JOEL WALTZER, MEMBER AND COUNSEL TO TOGETHER
16 NEW ORLEANS, TOGETHER LOUISIANA
17 BRODERICK BAGERT, TOGETHER NEW ORLEANS, TOGETHER
18 LOUISIANA
19 LINDA WREN, RESIDENT AND MEMBER OF TOGETHER NEW
20 ORLEANS, TOGETHER LOUISIANA
21 WILLIAM SHOCKEY, COUNSEL FOR KEROTEST MANUFACTURING
22 CORP.
23 JASON BARKER, PLANT MANAGER, GRAHAM PACKAGING
24 COMPANY, LP
25

1 SPEAKERS FROM THE PUBLIC CONTINUED:
2 ANNA JOHNSON, EXECUTIVE DIRECTOR, WEST BATON ROUGE
3 PARISH CHAMBER OF COMMERCE
4 DAVID HEXT, SITE MANAGER, INDORAMA VENTURES
5 OLEFINS, LLC
6 CHAD ANDERSON, CHIEF TECHNOLOGY OFFICER AN HEAD OF
7 MANUFACTURING, INDORAMA VENTURES OLEFINS, LLC,
8 JESSIE BRODERICK, SUMIT CREDITS, CONSULTANT TO
9 INDORAMA VENTURES OLEFINS, LLC
10 DOUGLAS HEINZ, KROLL & ASSOCIATES, CONSULTANT TO
11 INSTRUMENTAL AND VALVE SERVICES COMPANY
12 CLIFF MCDANIEL, DIRECTOR OF OPERATIONS, JOHN H.
13 CARTER
14 ANGELO TOREE, MANAGING OFFICER, LOUISIANA SPIRITS,
15 LLC
16 CHRIS MECHE, CPA, SERVICE MACHINE & SUPPLY, INC.,
17 JORGE ATENA, REGIONAL CONTROLLER, TERNIUM USA,
18 INC.

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REPORTED BY:
KELLY S. PERRIN, CERTIFIED COURT REPORTER

1 P R O C E E D I N G S

2 CHAIRMAN JONES:

3 It is close enough to 9:30, we'll call
4 the meeting of the Board of Commerce and
5 Industry for -- actually, this is our February
6 meeting, but we're holding it on March 1, call
7 it to order.

8 Ms. Simmons, would you call roll, make
9 sure we have a quorum?

10 MS. SIMMONS:

11 Yes, sir. Good morning, everyone.

12 Brandon Burris?

13 MR. BURRIS:

14 Here.

15 MS. SIMMONS:

16 Mayor David Toups?

17 MAYOR TOUPS:

18 Here.

19 MS. SIMMONS:

20 Yvette Cola?

21 MS. COLA:

22 Here.

23 MS. SIMMONS:

24 Guy McInnis?

25 MR. MCINNIS:

1 Here.

2 MS. SIMMONS:

3 Rickey Fabra?

4 (No response.)

5 Manuel Fajardo?

6 (No response.)

7 Stuart Moss?

8 MR. MOSS:

9 Here.

10 MS. SIMMONS:

11 Representative Vincent St. Blanc, proxy
12 for Paula Davis?

13 REPRESENTATIVE ST. BLANC:

14 Here.

15 MS. SIMMONS:

16 Senator Barry Milligan, proxy for Senator
17 Mike Reese?

18 (No response.)

19 MS. SIMMONS:

20 Kenneth Havard?

21 MR. HAVARD:

22 Here.

23 MS. SIMMONS:

24 Jerald Jones?

25 CHAIRMAN JONES:

1 Present.

2 MS. SIMMONS:

3 Senator McQuain?

4 MS. MCQUAIN:

5 Here.

6 MS. SIMMONS:

7 Senator Rhett Allain?

8 SENATOR ALLAIN:

9 Here.

10 MS. SIMMONS:

11 Representative Stuart Bishop?

12 REPRESENTATIVE BISHOP:

13 Here.

14 MS. SIMMONS:

15 Jan Moller?

16 (No response.)

17 MS. SIMMONS:

18 Secretary Don Pierson?

19 SECRETARY PIERSON:

20 Present.

21 MS. SIMMONS:

22 George Nassar?

23 MR. NASSAR:

24 Present.

25 MS. SIMMONS:

1 Darrel Saizan?

2 (No response.)

3 MS. SIMMONS:

4 Marshal Simien?

5 MR. SIMIEN:

6 Here.

7 MS. SIMMONS:

8 Ronnie Slone?

9 MR. SLONE:

10 Present.

11 MS. SIMMONS:

12 Zach Lemoine, proxy for Dr. Shawn Wilson?

13 MR. LEMOINE:

14 Present.

15 MS. SIMMONS:

16 Dr. Woodrow Wilson?

17 (No response.)

18 MS. SIMMONS:

19 Travis Holley?

20 MR. HOLLEY:

21 Here.

22 Dr. Beverly Thompson?

23 (No response.)

24 MS. SIMMONS:

25 We have a quorum.

1 CHAIRMAN JONES:

2 Thank you, ma'am. Board Members, you've
3 received, I hope, the minutes of the
4 January 2023 meeting. If so, and if you're so
5 inclined to entertain a motion to approve?

6 Motion from Mr. Stuart Moss, second from
7 Mr. Simien.

8 Any questions or comments from the Board?

9 Any comments from the public?

10 Hearing none, all in favor, say aye.

11 ALL:

12 Aye.

13 CHAIRMAN JONES:

14 Any opposition?

15 There being none, the motion carries.

16 Good morning, Ms. Adegbe. How are you
17 today?

18 MS. ADEGBE:

19 Good morning, well and yourself?

20 CHAIRMAN JONES:

21 Good and well. Thank you. Let's walk us
22 through the Quality Jobs Program, please.

23 MS. ADEGBE:

24 We have one new application, 20190517
25 ProKeep, Orleans Parish.

1 CHAIRMAN JONES:

2 All right. We have a motion on this one
3 Q.J. application, a motion from Mr. Slone to
4 approve, second from Mr. Moss. Any questions
5 or comments from the Board?

6 Hearing none, any comments from the
7 public?

8 Hearing none, all in favor, say aye.

9 ALL:

10 Aye.

11 CHAIRMAN JONES:

12 Any opposition?

13 There being none, the motion carries.

14 MS. ADEGBE:

15 There are four renewal applications,
16 20170427 CGI Technologies and Solutions,
17 Lafayette Parish; 20170390 Champion Home
18 Builders, Inc, Vernon Parish; 20180197
19 Fibrebond Corporation, Webster Parish;
20 20170271 UTLX Manufacturing, LLC, Rapides
21 Parish.

22 CHAIRMAN JONES:

23 I'll entertain a motion from Mr. Nassar
24 to approve, second from Mayor Toups. Any
25 questions or comments from the Board?

1 Hearing none, any comments from the
2 public?

3 Hearing none, all in favor, say aye.

4 ALL:

5 Aye.

6 CHAIRMAN JONES:

7 Any opposition?

8 There being none, the motion carries.

9 MS. ADEGBE:

10 One late renewal application, 20170070
11 Mauser USA, LLC, Ascension Parish; contract
12 effective date 2/15/2017, initial contract
13 expiration date 2/14/2022, late renewal
14 request date 10/28/2022.

15 CHAIRMAN JONES:

16 Do we have anyone here from Mauser?

17 Come forward, please. Good morning.

18 Would you state your name and your position
19 with the company, please.

20 MR. FISH:

21 Good morning. William Fish, I'm Finance
22 Manager for Mauser Packaging.

23 CHAIRMAN JONES:

24 All right. Thank you.

25 MR. HUNTER:

1 Darrell Hunter, Plant Manager of Mauser
2 Packaging.

3 CHAIRMAN JONES:

4 Thank you for being here this morning.
5 We're just trying to understand the basis for
6 the late renewal so we can help us determine
7 what, if anything, we're going to do about it.

8 MR. FISH:

9 Sure. We had been working with a
10 third-party company to handle our filings for
11 the Quality Jobs applications and also the
12 renewals. There was confusion on the part of
13 the third-party partner in terms of the
14 deadline. They had confused that with the
15 deadline for the ITEP renewal, which was
16 January of 2023. They didn't discover this
17 error until midway around June of 2022 and
18 informed us of the late filing at that point.

19 And then due to other issues with some
20 turnover in our payroll department, it took us
21 more time than we would have liked to gather
22 the information for the renewal application
23 and that led to the late filing of it, which
24 was finally submitted in October of 2022.
25 Going forward, we have plans in place to avoid

1 missing these deadlines. We actually have up
2 a new plant controller that's responsible for
3 the Geismar facility, and she's working
4 closely with our third-party partner as well
5 as with establishing contacts with the states,
6 and her name is Daphne James. And so she's
7 putting a plan in place so that we have firm
8 dates on the calendar that we can plan in
9 working towards, you know, getting all the
10 necessary data so that we don't miss these
11 deadlines in going forward.

12 CHAIRMAN JONES:

13 Thank you for that. I know that some
14 folks who watch us ask questions about why we
15 were as persnickety, if you will, on this.
16 And the reason is, and so everybody knows,
17 these programs are very valuable. They're
18 both valuable for the companies, but also the
19 company's presence in the State is valuable
20 for the State. And so this is a give and take
21 situation. In order for the Department to be
22 able to adequately determine compliance issues
23 and make sure that the State is getting the
24 information that it needs in order to judge
25 the company's compliance, we -- filing the

1 reports, filing the applications, renewals,
2 the deadlines mean something. We, like many
3 of the companies in the State, we do not have
4 unlimited resources, believe it or not, and so
5 it takes time for us to evaluate things as
6 well.

7 So these deadlines are important for
8 abundant reasons, and it's also become the
9 practice, and this I'm speaking for the
10 Board's edification as well, the QJ program,
11 unlike some of the other incentive programs,
12 do not have a built-in penalty for late
13 renewal. So the options here, as pointed out
14 in the agenda, is you can approve the renewal
15 without penalty, you can approve with a
16 penalty, or you can deny the renewal all
17 together.

18 So as I've grown fond of saying, the
19 world is certainly your oyster on this
20 situation. It has been what we've had similar
21 situations under the QJ program in the past,
22 and our general guideline has been for a
23 one-year penalty on the renewal -- approving
24 the renewal with a one-year penalty. You're
25 not necessarily held to that, but that has

1 been the practice for the Board in the past
2 times.

3 So with that, I would entertain a motion
4 from the Board? A motion from the Board? I
5 would entertain a motion from the Board?

6 MR. NASSAR:

7 I would make a motion that we penalize
8 for one year.

9 CHAIRMAN JONES:

10 Okay. Is your motion then to approve the
11 renewal with a one-year penalty?

12 MR. NASSAR:

13 Yes.

14 CHAIRMAN JONES:

15 So we have a motion from Mr. Nassar. We
16 have a second from Mr. Slone. Does any Board
17 Members have any questions for the folks from
18 Mauser or otherwise, or any comments?

19 Hearing none, are there any further
20 comments from the public?

21 Do you have anything further to say?

22 MR. FISH:

23 So can you clarify what that means with
24 the one-year penalty?

25 CHAIRMAN JONES:

1 In other words, there would be a one --
2 you get the renewal, in other words, there's
3 another five years on the renewal, but there's
4 a one year -- you'll lose one year of that
5 program.

6 MR. FISH:

7 Okay. Is that one year at the end or one
8 year at the beginning?

9 CHAIRMAN JONES:

10 I'm going to let you work that out with
11 the staff. I think what we've done is at the
12 end?

13 MS. ADEGBE:

14 Correct.

15 CHAIRMAN JONES:

16 To my understanding.

17 MS. ADEGBE:

18 One year at the end.

19 MR. FISH:

20 So we'll only get it for four years
21 instead of five?

22 CHAIRMAN JONES:

23 Correct.

24 MR. FISH:

25 Okay.

1 CHAIRMAN JONES:

2 That's assuming the motion passes. It
3 hasn't passed yet.

4 All right. Any other comments from the
5 public?

6 Hearing none, all in favor, say aye.

7 ALL:

8 Aye.

9 CHAIRMAN JONES:

10 Any opposition?

11 There being none, the motion carries.

12 Thank you for being here today and thank you
13 for explaining this.

14 MR. FISH:

15 Thank you.

16 CHAIRMAN JONES:

17 Next?

18 MS. ADEGBE:

19 One change of project physical location,
20 20180061 Align Technologies Corp. Previous
21 address 4176 Canal Street, New Orleans,
22 Louisiana, previous Parish Orleans. New
23 address, 4637 Tchoupitoulas Street, New
24 Orleans, Louisiana, Orleans Parish.

25 CHAIRMAN JONES:

1 Entertain a motion to approve. I have a
2 motion from Mr. Slone, second from Mayor
3 Toups. Any comments from the Board?

4 Hearing none, any comments from the
5 public?

6 Hearing none, all those in favor, say
7 aye.

8 ALL:

9 Aye.

10 CHAIRMAN JONES:

11 Any opposition?

12 There being none, the motion carries.

13 MS. ADEGBE:

14 This concludes Quality Jobs.

15 CHAIRMAN JONES:

16 Thank you very much. Ms. Lambert, would
17 you step forward?

18 MR. FAVALORO:

19 Yes, I will. Thank you.

20 CHAIRMAN JONES:

21 Mr. Favaloro, apparently, you're stepping
22 in for Ms. Lambert, I take it?

23 MR. FAVALORO:

24 Yes, sir.

25 CHAIRMAN JONES:

1 Thank you very much. Walk us through the
2 Restoration Tax Abatement Program.

3 MR. FAVALORO:

4 We have one new application for the
5 Restoration Tax Abatement program, 20190012
6 James and Tiffany Bellot in Iberia Parish.
7 That concludes the new applications.

8 CHAIRMAN JONES:

9 And this has already been approved by the
10 local entities?

11 MR. FAVALORO:

12 Yes, sir, it has.

13 CHAIRMAN JONES:

14 And once we approve it, it will be in
15 place?

16 MR. FAVALORO:

17 Yes, sir.

18 CHAIRMAN JONES:

19 All right. Any questions or comments --
20 excuse me. Any motion from the Board? We
21 have a motion from Mr. Moss to approve.

22 Second? Seconded from Mr. Simien.

23 Any questions or comments from the Board?

24 There being none, any comments from the
25 public?

1 Hearing none, all in favor, say aye.

2 ALL:

3 Aye.

4 CHAIRMAN JONES:

5 Any opposition?

6 There being none, the motion carries.

7 MR. FAVALORO:

8 There is one Restoration Tax Abatement
9 renewal application, 20161642 214 South 14th
10 Street, LLC in East Baton Rouge Parish. That
11 concludes the renewal.

12 CHAIRMAN JONES:

13 All right. Have a motion? Have a motion
14 from Ms. Cola to approve. A second? A second
15 from Mayor Toups.

16 Any questions or comments from the Board?

17 Hearing none, any comments from the
18 public?

19 Hearing none, all in favor, say aye.

20 ALL:

21 Aye.

22 CHAIRMAN JONES:

23 Any opposition?

24 There being none, the motion carries.

25 MR. FAVALORO:

1 Thank you.

2 CHAIRMAN JONES:

3 Thank you, sir.

4 Enterprise Zone, Ms. Metoyer?

5 MS. METOYER:

6 Good morning.

7 CHAIRMAN JONES:

8 Good morning.

9 MS. METOYER:

10 There are 11 new applications, 20200031
11 Best Stop Cajun Food, LLC, Lafayette Parish;
12 20200137 E. Drew Clement, DDS, LLC, Lafourche
13 Parish; 20160670 FTC Hotels, LLC, Doing
14 Business As SpringHill Suites, St. Tammany
15 Parish; 20200110 Louisiana Fish Fry Products
16 Limited, East Baton Rouge Parish; 20200046
17 Louisiana Sugar Cane Cooperative,
18 Incorporated, St. Martin Parish; 20151387 MSY
19 Hospitality, LLC, Jefferson Parish; 20200109
20 Metalplate Galvanizing, LP, Jefferson Davis
21 Parish; 20200066 Ochsner Clinic Foundation,
22 Jefferson Parish; 20200085 Ochsner Clinic
23 Foundation, Jefferson Parish; 20200165
24 Southwest Louisiana Hospital Association,
25 Calcasieu Parish; and 20200355 Tangi Pines

1 Senior Care, LLC, Tangipahoa Parish.

2 CHAIRMAN JONES:

3 Do we have a motion to approve these
4 applications? We have a motion from Mr. Moss
5 to approve these in globo. Do I have a
6 second? Have a second from Representative St.
7 Blanc.

8 Any questions or comments from the Board?

9 Motion to approve these in globo.

10 Any comments from the public?

11 There being none, all in favor, say aye.

12 ALL:

13 Aye.

14 CHAIRMAN JONES:

15 Any opposition?

16 There being none, the motion carries.

17 MS. METOYER:

18 We have eight terminations, 20161191
19 Alder Hotel Partners, LLC, Orleans Parish, the
20 existing contract is 4/15 of '16 through 4/14
21 of 2020. The requested term date is 4/14 of
22 2020. The program requirements have been met.
23 No additional jobs are anticipated. 20170002
24 C&C Marine and Repair, LLC, Plaquemines
25 Parish, the existing contract is July 2, 2017

1 to July 1, 2022. The requested term date is
2 1/2 of 2020. The program requirements have
3 been met. No additional jobs are anticipated.
4 20160810 International Paper, Washington
5 Parish, the existing contract is June 15th of
6 2018 through June 14 of 2023. The requested
7 term date is December 14, 2020. The program
8 requirements have been met. No additional
9 jobs are anticipated. 20180321 Ochsner Clinic
10 Foundation, Jefferson Parish, the existing
11 contract is August 30 of 2018 through August
12 29, 2023. The requested term date is
13 February 28, 2021. The program requirements
14 have been met. No additional jobs are
15 anticipated. 20180330 Ochsner Clinic
16 Foundation, Jefferson Parish. The existing
17 contract is August 30, 2018 through August 29,
18 2023. The requested term date is 2/28/21.
19 The program requirements have been met. No
20 additional jobs are anticipated. 20150945
21 Shell Chemical, LP, Ascension Parish, the
22 existing contract is September 1, 2016 through
23 February 28, 2019. The requested term date is
24 2/28 of 2019. The program requirements have
25 been met. No additional jobs are anticipated.

1 20180122 W.R. Grace and Company, St. Charles
2 Parish, the existing contract is April 13 of
3 2018 through April 12 of 2023. The requested
4 term date is April 12 of 2021. The program
5 requirements have been met. No additional
6 jobs are anticipated. 20180104 Westport Linen
7 Services, LLC, Orleans Parish, the existing
8 contract is March 26 of 2018 through
9 March 25th of 2023. The requested term date
10 is 12/31 of 2021. The program requirements
11 have been met. No additional jobs are
12 anticipated.

13 CHAIRMAN JONES:

14 All right. Do we have a motion for these
15 Enterprise Zone Terminations? I have a motion
16 from Mr. Simien to approve the entire group.
17 We have a second from Mr. Slone.

18 Any comments or questions from the Board?

19 Any comments from the public?

20 Hearing none, all in favor, say aye.

21 ALL:

22 Aye.

23 CHAIRMAN JONES:

24 Any opposition?

25 There being none, the motion carries.

1 MS. METOYER:

2 That concludes EZ.

3 CHAIRMAN JONES:

4 Thank you, ma'am.

5 MS. METOYER:

6 You're welcome.

7 CHAIRMAN JONES:

8 All right. Move to the Industrial Tax
9 Exemption program under the 2018 Rules. Ms.
10 Cheng and Mr. Usie, let me know how you want
11 to proceed.

12 MS. CHENG:

13 Good morning.

14 CHAIRMAN JONES:

15 Good morning.

16 MS. CHENG:

17 We have 13 Post EO 2018 Rules
18 applications. 20180503, Alliance Compressors,
19 Natchitoches Parish; 20210507, Alliance
20 Compressors, LLC, Natchitoches Parish;
21 20200094-A, Bercen Chemicals, LLC, Livingston
22 Parish; 20220504, Clean Hydrogen Works LA-1,
23 LLC, doing business as Ascension Clean Energy,
24 Ascension Parish; 20220397, Crying Eagle
25 Brewing Company, LLC, Calcasieu Parish;

1 20230005, Freepoint Eco-Systems, Baton Rouge
2 Recycling, LLC, Ascension Parish; 20210171,
3 Indorama Ventures Olefins, LLC, Calcasieu
4 Parish; 20200380, Kennedy Rice Dryers, LLC
5 Morehouse Parish; 20220235, LACC, LLC US,
6 Calcasieu Parish; 20210307, Louisiana Plastic
7 Industries, Ouachita Parish; 20220117,
8 Louisiana Sugar Cane Cooperative, Inc, St.
9 Martin Parish; 20220115, Magnolia Power, LLC
10 Iberville Parish; and 20190290-A, Westlake
11 Vinyls Company, LP, Ascension Parish.

12 CHAIRMAN JONES:

13 Very good. Do we have a motion? A
14 motion from Mr. St. Blanc to approve. A
15 second from Mr. Slone. Now, before we -- I
16 ask for any further comments from the Board,
17 you know, everyone of these investments are
18 huge for the communities that where they sit,
19 but there was a time not too long ago, if we
20 saw a billion dollar investment, it would have
21 been eye popping. And now when we see \$7.5
22 billion dollar investment, that, I've just got
23 to say, is particularly eye popping. But I'm
24 in my world, I'm excited to see a million
25 dollar investment. So we thank you for all of

1 these companies in making these investments,
2 but the range here is from very small
3 companies with relatively small investments,
4 but is huge for those industries and for those
5 companies. So we thank you for the confidence
6 you're showing in the State of Louisiana.

7 But with that, I would entertain a motion
8 to approve these applications. Do I have a
9 motion from Mr. Nassar? Second from Mr. Moss.

10

11 Any other comments or questions from the
12 Board?

13 Hearing none, any comments from the
14 public?

15 There being none, all in favor, say aye.

16 ALL:

17 Aye.

18 CHAIRMAN JONES:

19 Any opposition?

20 There is none, the motion carries.

21 MS. CHENG:

22 We have 17 Pre-EO Timely renewals,
23 20141304, Bunge North America, Inc, St.
24 Charles Parish; 20130429-B, Cameron LNG, LLC,
25 Cameron Parish; 20161536, Diversified Foods &

1 Seasonings, LLC in St. Tammany Parish;
2 20150934, Dr. Reddy's Laboratories Louisiana,
3 LLC, Caddo Parish; 20150934-A, Dr. Reddy's
4 Laboratories Louisiana, LLC, Caddo Parish;
5 20150934-B, Dr. Reddy's Laboratories
6 Louisiana, LLC, Caddo Parish; and 20150934-C,
7 Dr. Reddy's Laboratories Louisiana, LLC, Caddo
8 Parish; 20151505, Equilon Enterprises, LLC,
9 DBA Shell Oil Products US, St. Charles Parish;
10 20121215-A, Honeywell International, Ascension
11 Parish; 20121215-B, Honeywell International,
12 Ascension Parish; 20151722, Honeywell
13 International, East Baton Parish; 20161523,
14 Kennedy Rice Mill, LLC, Morehouse Parish;
15 20150156-A, Louisiana Integrated Polyethylene
16 JV, LLC, Calcasieu Parish; 20161175-A, Newpark
17 Drilling Fluids, LLC, Lafourche Parish;
18 20151570, Sasol Chemicals USA, LLC, Calcasieu
19 Parish; 20150945, Shell Chemical Company, LP,
20 Ascension Parish; and 20141070-B, Shintech
21 Louisiana, LLC, Iberville Parish.

22 CHAIRMAN JONES:

23 Do we have a motion on these Pre
24 Executive Order renewals? I have a motion
25 from Mayor Toups to approve. Do I have a

1 second? Second from Ms. Cola.

2 Any questions or comments from the Board?

3 Yes, Mr. Simien?

4 MR. SIMIEN:

5 I'll abstain --

6 CHAIRMAN JONES:

7 Microphone, please.

8 MR. SIMIEN:

9 I'll abstain from the Sasol Companies.

10 CHAIRMAN JONES:

11 All right. Mr. Simien will be recusing
12 himself from the Sasol Chemicals. And I'm
13 glad you mentioned that because the Chair
14 needs to recuse himself from the four
15 contracts for Dr. Reddy's Laboratories
16 Louisiana, that's 20150934 A, B, and C, I'll
17 be recusing myself from the vote. I will
18 still be facilitating the vote for purposes of
19 procedure.

20 Any other comments or questions from the
21 Board?

22 Have a motion and a second. Any comments
23 from the public?

24 Hearing none, all in favor, say aye.

25 ALL:

1 Aye.

2 CHAIRMAN JONES:

3 Is there any opposition?

4 There being none, the motion carries.

5 MS. CHENG:

6 We have three Pre EO late renewal
7 applications, 20151744, Cornerstone Chemical
8 Company, Jefferson Parish, initial contract
9 expiration date, 12/31 of '21; late renewal
10 request date, 12/21 of '22; 20151745,
11 Cornerstone Chemical Company in Jefferson
12 Parish, initial contract expiration, 12/31 of
13 '21 and late renewal request date of 12/21/22.
14 And 20141329, G.E.O. Heat Exchangers, LLC,
15 Iberville Parish, initial contract expiration
16 12/31 of '21, late renewal request date, 10/17
17 of '22.

18 CHAIRMAN JONES:

19 All right. Do we have anyone here from
20 Cornerstone Chemical? Please state your name
21 and your position with the company, please.

22 MS. BROUSSARD:

23 Yes, my name is JoLena Broussard, and I
24 am the Manager of Strategic Engagement and
25 Communications for Cornerstone Chemical

1 Company.

2 CHAIRMAN JONES:

3 Just give us an idea. I think you've
4 heard the discussion earlier. Tell us a
5 little bit about what happened for the late
6 renewal.

7 MS. BROUSSARD:

8 Yes. So, initially, we had a prior staff
9 member at Cornerstone who was historically
10 responsible for and single-handedly
11 responsible for all things related to the ITEP
12 matter. And what happened was that she,
13 unfortunately, had a contract marked for
14 renewal in 2022 instead of 2021, and she was
15 looking at it based on their contract
16 execution date, you know, instead of the
17 contract effective date. But since the
18 departure of that prior staff member,
19 Cornerstone has definitely put in the proper
20 processes, procedures, protocols, and gotten
21 more individuals involved in the ITEP process
22 from the chief officer level, human resources,
23 communications and finance, also working with
24 our consultant at Advantous to make sure that
25 we fully understand, you know, all the rules,

1 regulations, deadlines because we do know that
2 those are important.

3 So we do have all those in place. We do
4 now know, you know, that the correct way. And
5 we're going to make sure that moving forward
6 in the future that Cornerstone will not miss
7 those deadlines for submitting those
8 applications and those renewals.

9 CHAIRMAN JONES:

10 Very good. Thank you for that. Any
11 questions -- excuse me. Do we have a motion
12 for Cornerstone Chemical? Again, because this
13 is a Pre Executive Order contract, there are
14 no regulations which dictate the penalty.
15 Historically, the penalty has been because
16 they were within a year, but there would still
17 be a one-year penalty has been historically
18 our practice to grant the renewal but with the
19 one-year penalty.

20 Do I have a motion? We have a motion
21 from Mr. Slone to grant the renewal, but with
22 a one-year penalty. Do I have a second?

23 MR. MOSS:

24 Second.

25 CHAIRMAN JONES:

1 Second from Mr. Moss.

2 Any questions or comments from the Board?

3 Any further comments from the public?

4 Hearing none, all in favor of the motion,
5 say aye.

6 ALL:

7 Aye.

8 CHAIRMAN JONES:

9 Any opposition?

10 There being none, the motion carries.

11 Thank you very much.

12 MS. BROUSSARD:

13 Thank you so much for your time.

14 CHAIRMAN JONES:

15 Yes, indeed. Next?

16 MS. CHENG:

17 I guess we need someone to come up for
18 G.E.O. Heat Exchangers?

19 CHAIRMAN JONES:

20 Yeah, that's right. I'm sorry. The ball
21 is in my court and not yours, Ms. Cheng;
22 forgive me.

23 Thank you, sir. He's ahead of both of
24 us.

25 MR. CAUSEY:

1 Absolutely. Good morning.

2 CHAIRMAN JONES:

3 Thank you. State your name and position
4 with the company, please.

5 MR. CAUSEY:

6 Kevin Causey, Chief Human Resources
7 Officer.

8 CHAIRMAN JONES:

9 Great. And you've heard the question,
10 just tell us what happened, what the reason
11 for the late renewal.

12 MR. CAUSEY:

13 Absolutely. Around August of 2021,
14 unfortunately, I was diagnosed with cancer. I
15 have a small HR team. And at that time, I
16 think they worked as well as they could to
17 make sure everything that was -- the
18 responsibilities in our office were taken care
19 of. Unfortunately, this renewal was a simple
20 oversight by the team. We also worked with
21 the company DDA in some other efforts for the
22 company and some of the emails were confused
23 with it, and it was never brought to my
24 attention. When I returned back to the
25 office, which I was out for about eight

1 months, once I returned back, it was something
2 that we got right on to make sure we had it
3 ready to file. So, unfortunately, that was
4 the situation that happened. It was
5 unfortunate. But, again, it was a simple
6 oversight.

7 CHAIRMAN JONES:

8 I hope you're doing better.

9 MR. CAUSEY:

10 I am. Thank you.

11 CHAIRMAN JONES:

12 You look great.

13 MR. CAUSEY:

14 Thank you.

15 CHAIRMAN JONES:

16 Good. Congratulations for beating that
17 stuff.

18 MR. CAUSEY:

19 Thank you. Absolutely.

20 CHAIRMAN JONES:

21 Unfortunately, as you've heard, this
22 situation is a serious one from LED's
23 perspective.

24 MR. CAUSEY:

25 Absolutely.

1 CHAIRMAN JONES:

2 Again, this would fall in line for
3 according to past practice for being eligible
4 for granting renewal but with a one-year
5 penalty. Do I have a motion?

6 Motion from Mr. Simien, renewal with a
7 one-year penalty. Do I have a second? Second
8 from Mr. Allain.

9 Any questions or comments from the Board?

10 Any comments from the public?

11 Hearing none, all in favor, say aye.

12 ALL:

13 Aye.

14 CHAIRMAN JONES:

15 Any opposition?

16 There being none, the motion carries.

17 MR. CAUSEY:

18 Thank you.

19 CHAIRMAN JONES:

20 Thank you, sir. We wish you the best.

21 MR. CAUSEY:

22 Thank you.

23 MS. CHENG:

24 We have two post EO 2017 Rules renewals,
25 20161647, Barriere Construction Company, LLC

1 in St. Charles Parish, and 20161576-A,
2 Louisiana Sugar Refining, LLC in St. James
3 Parish.

4 CHAIRMAN JONES:

5 All right.

6 SENATOR ALLAIN:

7 Mr. Chairman?

8 CHAIRMAN JONES:

9 Yes, sir.

10 SENATOR ALLAIN:

11 I would like to recuse myself from the
12 Louisiana Sugar Refinery, I sit on the parent
13 board.

14 CHAIRMAN JONES:

15 Very good. Thank you, sir. Senator
16 Allain will be recusing himself, and that
17 means he will not be participating in the
18 debate or the vote.

19 Just again for the Board's education,
20 perhaps for the public as well, you'll notice
21 on your agenda, there's an annual compliance
22 summary. And there, at least for one of
23 these, there are a couple of noncompliance
24 issues, but those noncompliances have been
25 dealt with by this Board every year as they

1 came up. So that's there for your
2 information, but it's not -- not -- we're not
3 having to readdress those issues.

4 So with that, I would entertain a motion
5 on these two renewals. Motion from Mr. St.
6 Blanc to approve. Do I have a second? Second
7 from Mr. Nassar.

8 Any questions or comments from the Board?

9 Hearing none, any comments from the
10 public?

11 There being none, all in favor, say aye.

12 ALL:

13 Aye.

14 CHAIRMAN JONES:

15 Any opposition?

16 There being none, the motion carries.

17 MS. CHENG:

18 We have one change in name only contract
19 amendment, MCC Methacrylates Americas, Inc.,
20 20200516; new name is Mitsubishi Chemical
21 America, Inc. in Ascension Parish.

22 CHAIRMAN JONES:

23 Motion to approve this change of name,
24 Mr. Simien. Second from Mayor Toups.

25 Any questions or comments from the Board?

1 There being none, any comments from the
2 public?

3 There being none, all in favor, say aye.

4 ALL:

5 Aye.

6 CHAIRMAN JONES:

7 Any opposition?

8 There being none, the motion carries.

9 MS. CHENG:

10 We have one change in location contract
11 amendment. Triton West, LLC, 20151505-PT,
12 previous location, which was a mistake because
13 it was never in Houston. The previous
14 location on the contract was 8931 Padfield
15 Street, Houston, LA 77055, St. Charles Parish.
16 It's being corrected to 15536 River Road,
17 Norco, Louisiana 70079 in St. Charles Parish.

18 CHAIRMAN JONES:

19 Motion to approve this change. Motion
20 from Mr. Nassar. Second from Mr. Moss.

21 Any comments or questions from the Board?

22 There being none, any comments from the
23 public?

24 There being none, all in favor say, aye.

25 ALL:

1 Aye.

2 CHAIRMAN JONES:

3 Any opposition?

4 There being none, the motion carries.

5 MS. CHENG:

6 We have five transfer of tax exemption
7 contract amendments. Orion Instruments is
8 requesting deferral to the next meeting for
9 20130525, 20140269, 20150639, and 20160763.

10 CHAIRMAN JONES:

11 Entertain a motion to defer these Orion
12 contracts. A motion from Mr. Moss. Second
13 from Mr. Slone.

14 Any questions or comments from the Board?

15 Hearing none, any comments from the
16 public?

17 There being none, all in favor, say aye.

18 ALL:

19 Aye.

20 CHAIRMAN JONES:

21 Any opposition?

22 There is none, the motion carries. Those
23 items are deferred until the next meeting.

24 MS. CHENG:

25 Instrument and Valve Services Company

1 contract 20180275 is being transferred to John
2 H. Carter Co., Inc. in Calcasieu Parish.

3 CHAIRMAN JONES:

4 Entertain a motion to approve this
5 transfer of contract from Mr. Moss. Second
6 from Mr. Slone.

7 Any questions or comments from the Board?

8 There being none, any comments from the
9 public?

10 Hearing none, all in favor, say aye.

11 ALL:

12 Aye.

13 CHAIRMAN JONES:

14 Any opposition?

15 There being none, the motion carries.

16 MS. CHENG:

17 We have 17 contract cancellations. I do
18 have one that needs to be withdrawn because it
19 was included incorrectly. Equilon
20 Enterprises, LLC, DBA Shell Oil Products US is
21 requesting deferral of 20150201.

22 CHAIRMAN JONES:

23 Let's see, do we need a motion to remove
24 that or was it -- was it -- it was in their
25 original application to --

1 MS. CHENG:

2 Right. There was a request to cancel.

3 CHAIRMAN JONES:

4 Okay.

5 MS. CHENG:

6 But we don't --

7 CHAIRMAN JONES:

8 So I guess, let's just for clarity to
9 make sure the record is clear, we'll entertain
10 a motion to approve removal of the 20150201
11 from the Equilon request for cancellation
12 contract. We have a motion from Mr. Nassar.
13 Second from Ms. Cola.

14 Any questions or comments from the Board?

15 There being none, any comments from the
16 public?

17 Hearing none, all in favor, say aye.

18 ALL:

19 Aye.

20 CHAIRMAN JONES:

21 Any opposition?

22 There being none, the motion carries.

23 MS. CHENG:

24 ASRC Energy Services Omega, LLC,
25 20120941, company requests cancellation,

1 Iberia Parish; Air Products and Chemicals,
2 Inc, 20190376, company requests cancellation
3 in Iberville Parish; Cornerstone Chemical
4 Company, 20180171, company requests
5 cancellation, Jefferson Parish; Equilon
6 Enterprises, LLC, DBA Shell Oil Products US,
7 20110897, 20140741, 20140742, 20161295,
8 20161296, 20161297, 20161368, 20161369, and
9 20161370, company requests cancellation, St.
10 James Parish; Shell Chemical, LP, 20180378,
11 company requests cancellation, Ascension
12 Parish; and Stupp Bros., Inc., DBA Stupp
13 Corporation, 20190057, 20190057-A, and
14 20190057-B, company requests cancellation,
15 East Baton Rouge Parish.

16 CHAIRMAN JONES:

17 All right. Entertain a motion to approve
18 these cancellations, Ms. Cola. Second from
19 Mr. Slone.

20 Any questions or comments from the Board?

21 Hearing none, any comments from the
22 public?

23 Hearing none, all in favor, say aye.

24 ALL:

25 Aye.

1 CHAIRMAN JONES:

2 Any opposition?

3 There being none, the motion carries.

4 MS. CHENG:

5 We have ten special requests. First one
6 is Equilon Enterprises, LLC, DBA Shell Oil
7 Products US for contracts 20150201,
8 20150201-A, 20161827, and 20161827-A. Equilon
9 Enterprises submitted a letter on 11/30/22
10 requesting continuation of the below four
11 active contracts at the Convent site while
12 they continue their efforts to identify future
13 opportunities for the facility.

14 CHAIRMAN JONES:

15 Do we have someone here from Shell?

16 MR. PALMER:

17 Good morning, Mr. Chairman, Members.
18 Fred Palmer, Corporate and Government
19 Relations Regional Manager for Shell for the
20 Southeast US based here in Baton Rouge, and I
21 have a colleague here, Mr. Phillips.

22 MR. PHILLIPS:

23 Good morning. Wade Phillips, I am tax
24 counsel.

25 CHAIRMAN JONES:

1 Great. Tell us what we've got going on
2 here so we can better understand your request.

3 MR. PALMER:

4 So due to the nonoperational status of
5 the Convent site, we were before you last year
6 where we asked for the extension of the ITEP
7 contracts. There are a total of 14 --

8 CHAIRMAN JONES:

9 Bring it closer, please.

10 MR. PALMER:

11 -- a total of 14 contracts, which you
12 approved for a one-year extension. We're now
13 coming back, and of those 14, asking for the
14 renewal of these four related to two projects
15 at the site as part of the continued
16 re-purposing of the site and our investment
17 that we'll be making at the Convent site. And
18 then the items you just canceled, the 10
19 contracts related to the Convent site, those
20 were part of the 14, and we initiated
21 canceling those, but wanted to extend these
22 four contracts.

23 CHAIRMAN JONES:

24 We have a motion from Mr. Nassar to
25 approve the special request. Do we have a

1 second? I have a second from Mr. Moss.

2 Any questions or comments from the Board?

3 Any further comments from the public?

4 Hearing none, all in favor, say aye.

5 ALL:

6 Aye.

7 CHAIRMAN JONES:

8 Any opposition?

9 There being none, the motion carries.

10 MR. PALMER:

11 Thank you.

12 MR. PHILLIPS:

13 Thank you.

14 CHAIRMAN JONES:

15 Thank you for being here. Thank you for
16 continuing to work on that site.

17 MS. CHENG:

18 The next special request is from The
19 Folger Coffee Company, 20170466, 20170467,
20 20180297, 20180298, and 20190391 and 20190392.

21 There is a missing number on the agenda, just
22 to point out, it's 20190391.

23 CHAIRMAN JONES:

24 All right. We have folks here from --
25 representing Folgers. Please come to the

1 table.

2 MR. LEONARD:

3 Good morning, Chairman, Members of the
4 Board. My name is Jimmy Leonard. I live here
5 in Baton Rouge. I'm with Advantous
6 Consulting.

7 CHAIRMAN JONES:

8 I'm going to ask you to pull the mic a
9 little bit closer to you. Thank you very
10 much.

11 MR. LEONARD:

12 Yes, sir. Again, my name is Jimmy
13 Leonard. I live here in Baton Rouge. I'm
14 with Advantous Consulting, and I sit here
15 before you today because we have been
16 assisting Folgers with their ITEP
17 applications. With me is Chris Todaro with
18 Folgers Company, and he'll have some words to
19 say here in a second. Before I turn the mic
20 over, I'd just like to make a couple of
21 statements for the record.

22 We're back here before you today because
23 of one simple reason, the New Orleans City
24 Council, New Orleans School Board, and the New
25 Orleans Parish Sheriff continue to follow

1 their own ITEP rules, which are not aligned
2 and far exceed the eligibility expectations
3 and rules set out by the Board of Commerce and
4 Industry. As you may recall, a significant
5 amount of time and energy went into creating
6 BC&I rules on how to implement the Governor's
7 Executive Order. We had multiple meetings,
8 many that went on for hours on end, and this
9 Board has done a Yeoman's job to get the ITEP
10 rules in a place that we can use today from a
11 practical application for pursuing ITEP
12 exemptions. Soon after these BC&I rules were
13 in place, there were two communities that took
14 additional liberties to pass local ordinances
15 and resolutions, effectively including local
16 laws and local rules in the place that far
17 exceeded the BC&I's rules. East Baton Rouge
18 Parish and Orleans Parish were the taxing
19 authorities that did such. East Baton Rouge
20 Parish, after the Board of Commerce and
21 Industry passed its own resolution informing
22 the local communities that there is only one
23 set of rules and there's only one authority,
24 and that is the Board of Commerce and
25 Industry's rules and the Board of Commerce and

1 Industry is the authority to create rules.

2 East Baton Rouge Parish went back and
3 modified their resolutions so that they could
4 be in line with the Board of Commerce and
5 Industry's resolutions. In an effort -- I'm
6 sorry. Nola has simply decided to ignore your
7 wishes and do their own thing. So we sit here
8 today, every local taxing jurisdiction in the
9 State of Louisiana follows the Board of
10 Commerce and Industry rules, except Orleans.
11 Given my experience supporting companies
12 through their ITEP application approval
13 processes, it has been my expectation that
14 there may be many local authorities who would
15 also like to create additional rules and
16 regulations to govern ITEP, but they have not.

17 Denying Folgers appeal, thus allowing
18 Folgers to lose their ITEP because of those
19 illicit rules will tell every School Board,
20 every Parish Council, every Police Jury, every
21 City Council, and every Sheriff in the State
22 that they too can ignore and defy the Board of
23 Commerce and Industry without consequence. My
24 fear is that all the hard work and time that
25 has been done to date to implement the

1 Governor's Executive Order will have been for
2 not and we will invite additional uncertainty
3 in this program and its processes.

4 The Louisiana constitution only provides
5 ITEP authority to two bodies, the Board of
6 Commerce and Industry and the Governor, both
7 of which must make tough decisions, as the
8 constitution states, which are deemed in the
9 best interest of this State. To make this
10 explicitly clear, BC&I appeal resolution made
11 this explicitly clear, yet Nola still believes
12 it can have its own sets of rules. Bottom
13 line if Nola wants to have the same rights as
14 everybody else, then Nola needs to follow the
15 same rules as everybody else; meaning, until
16 Nola gets in line with BC&I rules and the rest
17 of this State, the Board of Commerce and
18 Industry and the Governor should deem any and
19 all Nola ITEP denials as invalid. Thank you
20 very much.

21 Chris?

22 MR. TODARO:

23 Good morning. Thank you for the time.
24 My name is Chris Todaro. I'm the Vice
25 President of Coffee Operations at the J.M.

1 Smucker Company, the parent company for the
2 Folger Coffee Company. I oversee our coffee's
3 operations, which are consolidated to our
4 three locations in New Orleans.

5 I was born and raised in New Orleans. I
6 started my professional career 35 years ago at
7 the Folgers Old Gentilly Road facility.

8 Across these 35 years, I've been directly and
9 indirectly connected to Folger operations both
10 at New Orleans and other locations across the
11 United States. Through my role, I had a
12 chance to return to the area to offer support
13 following Hurricane Katrina, and I
14 enthusiastically took advantage of the
15 opportunity to relocate back home. Following
16 the tragedy, our company was proactive in
17 supporting the community and our employees
18 offering many opportunities on temporary
19 housing, extended benefits to those who were
20 displaced. We are proudly one of the first
21 businesses to open up after that event.

22 Within three weeks, we were operating in our
23 facility at the Old Gentilly facility.

24 I'm here today to personally solicit your
25 support and assistance with the challenges

1 we've had around our ITEP application to share
2 a bit more about who we are. The story of
3 Folgers brand in New Orleans goes back to 1963
4 when we first began roasting our coffee in New
5 Orleans. Since that time, we've continued to
6 invest in growing the business, growing our
7 physical footprint in the area, and growing
8 our role in the community. In 2010, we
9 consolidated our entire coffee operation of
10 manufacturing to New Orleans following an
11 active recruitment by representatives from the
12 State of Louisiana and the City of New
13 Orleans, including offering incentive programs
14 we have in place today reinforcing and
15 extending a long-standing relationship between
16 our brand, our company, and the State of
17 Louisiana, the City of New Orleans. Since
18 we've consolidated our operations, we've
19 invested tens of millions of dollars to
20 upgrade and modernize our facility.

21 Additionally, our commitment to New
22 Orleans and investments in our facilities have
23 created hundreds of jobs, helped diversify the
24 local economy, and generated revenue for the
25 community. Today, we have nearly 700

1 employees at our three New Orleans facilities
2 with a total payroll of more than \$62 million
3 during the calendar year 2022. To put that in
4 context, our payroll has increased 140 percent
5 since we've consolidated our coffee
6 manufacturing operations to the City of New
7 Orleans.

8 We continue to prioritize our employees
9 and offer them a work environment that
10 supports their needs. In fact, our efforts
11 have made us one of the most popular employers
12 in the area. This comes to life in many ways
13 including offering higher wages and benefits
14 as compared to other employers of our scale in
15 the City. Our hourly rate starts at \$22 an
16 hour and goes up to \$40 per hour with
17 extensive benefits including medical, dental,
18 vision, 401K with employer match, bereavement
19 pay. We've continued to enhance our benefits
20 over the years including enhancing parental
21 leave and paid time off. Additionally, we
22 have accelerated our inclusion in diversity
23 strategies to support gender and diversity
24 inclusion across our organization.

25 We are proud to be joined today by a few

1 of our employees here in New Orleans who
2 represent the tremendous workforce we have, a
3 workforce that is motivated by the opportunity
4 to have a career and not just a job, the
5 workforce that includes many employees who
6 have been with us for decades, and many whose
7 families have been with the company for
8 generations. Through those employees with us
9 today and for all those who support our
10 business in this community, I personally thank
11 you. Our focus on securing the best talent is
12 in service of supporting our consumers, who
13 trust us as a leader in the at-home coffee
14 category. To put this in greater context,
15 more Americans start their morning at home
16 with a cup of coffee from one of our brands
17 than any other. And with that and with a home
18 coffee consumption at its highest level in
19 some time, the consumer is relying on trusted
20 coffee brands more than ever. Our dedicated
21 New Orleans employees deliver on that need
22 every single day.

23 In addition to producing Folgers, the
24 team delivers growing Dunkin at home and Cafe
25 Bustelo brands combined as one of the largest

1 coffee companies in the world is manufactured
2 in the State of Louisiana and the City of New
3 Orleans. While we are proud on how we
4 continue to support our employees and trust we
5 have earned among our consumers, we're even
6 prouder of the work we do here in the
7 community.

8 In addition to being a leading employer
9 and one of the top local property taxpayers,
10 our incredibly passionate and dedicated
11 employees have played a meaningful role in
12 supporting this area. Here are just a few
13 examples: Following Katrina, Smucker New
14 Orleans team was the leading participant
15 annually in the November to Remember work
16 coordinated by Habitat for Humanity. This
17 program was focused on rebuilding homes
18 impacted. Our team aided in the construction
19 of more than a hundred homes over the course
20 of several years. In addition, on the day we
21 announced our consolidation, the company
22 contributed a million dollars to United Way of
23 Greater New Orleans for the continued recovery
24 and rebuilding efforts. I add this commitment
25 was implemental to a long-standing multi-year

1 history of our employees in the company giving
2 to the United Way and other nonprofits in the
3 area.

4 Our facility was also active in
5 supporting the community at the outset of the
6 pandemic. Along with enhancing safety
7 measures to ensure the health of our
8 employees, we supported a range of efforts
9 including providing meals to first responders
10 keeping us safe and donating to the Restaurant
11 Worker Relief Fund to aid our neighbors who
12 struggled financially as customers were forced
13 to stay home.

14 In addition to these specific examples,
15 we've consistently offered contributions to
16 local schools, nursing homes, major community
17 events, and other kid and child related
18 activities to support key occasions. As we
19 continue to donate funding, product and
20 volunteer time to organizations across the
21 community that address the needs to provide
22 critical support, it's what we do. Please
23 know that we take our role as leaders in the
24 great community very seriously. As you
25 consider these applications, we hope that you

1 can appreciate our passion to continue to
2 build in New Orleans.

3 Our ITEP applications presented a package
4 of capital projects across multiple
5 facilities, all to achieve a simple, yet
6 powerful goal, to increase our expansion and
7 production capability which will result in
8 greater returns to the local community. To be
9 clear, we do understand this is a very complex
10 matter, but there are also some misconceptions
11 I'd like to take the opportunity to clarify
12 for the Committee.

13 There's been some public commentary that
14 we are not paying the taxes we owe, which is
15 not accurate. We have timely paid every
16 property tax invoice issued to date. We've
17 consistently been a top ten property taxpayer
18 since as far back as 2017. I might add,
19 before we consolidated, we were not in the top
20 ten. Per New Orleans 2021 audited financial
21 statement, we were the fourth largest property
22 taxpayer in New Orleans. So since
23 consolidation, we've gone from not being in
24 the top ten to a top -- within the top five in
25 number four. There's been suggestions that we

1 have not appropriately addressed the process
2 laid before us. Again, this is not an
3 accurate representation. Throughout this
4 process, we have followed the ITEP procedures
5 as presented to us.

6 Given our confidence in the fact our ITEP
7 applications should be granted, we've simply
8 preserved our appeal rights throughout the
9 process and will continue to do so until a
10 final decision is made. To reiterate, the
11 economic incentives offered through ITEP and
12 presented us by the State of Louisiana were a
13 very important consideration in our decision
14 to consolidate our coffee operations to New
15 Orleans. To this end, all of our ITEP
16 applications in 2010 -- from 2010 through 2015
17 were approved without incident; number two,
18 all of our ITEP issues are Post-Executive
19 Order applications that do not align with the
20 local eligibility criteria. I will repeat, in
21 2005, we made a decision to stay in the State
22 of Louisiana and rebuild. In 2010, with your
23 help, we decided to invest and grow, which we
24 have.

25 We are incredibly proud to be a part of

1 the community and appreciative of the support
2 we have received. We look forward to
3 continuing to be a leading member in the area
4 while supporting the needs of our fellow
5 residents, our families, our friends, our
6 employees, as we have for over 60 years. In
7 closing, I'd like to again thank the Committee
8 for your time and willingness to hear our
9 appeal today. We believe the facts are
10 straight forward. Based on the contractual
11 details of the Cooperative Endeavor Agreement
12 we signed when we consolidated our coffee
13 operations to New Orleans, we are confident
14 that our ITEP application should be granted.
15 We have not only fulfilled, but far exceeded
16 our annual job and payroll obligations under
17 the agreement. Additionally, we have followed
18 the outline of the ITEP application process
19 and have no outstanding tax debt or previous
20 filings under review.

21 In summation, we ask that you send our
22 ITEP applications to the Governor with a
23 recommendation for approval given that we have
24 successfully met eligibility criteria. With
25 that, I thank you for your time and attention.

1 CHAIRMAN JONES:

2 Thank you very much. One housekeeping
3 thing, but I do have some followup questions,
4 what was the contract number that you said was
5 left out? I did not write it down.

6 MS. CHENG:

7 It was -- one of the numbers was missing
8 out of the contract number, 20190391. On the
9 agenda, it says 2013031.

10 CHAIRMAN JONES:

11 Oh, it's just transposed.

12 MS. CHENG:

13 They're just missing the nine.

14 CHAIRMAN JONES:

15 I -- thank you. There's no additional
16 contract, it's just the contract that's
17 mis-numbered.

18 MS. CHENG:

19 That's correct.

20 CHAIRMAN JONES:

21 Okay. Got it. Thank you. What I'm
22 trying to wrap my head around just a little
23 bit, when you originally and -- first of all,
24 the decision to relocate your entire operation
25 into Louisiana, into New Orleans was huge, and

1 we thank you for that because it's when I
2 learned -- when I learned that Folgers was
3 made in New Orleans. I thought that's pretty
4 cool actually rather than anywhere else, you
5 know. What I'm trying to understand is, the
6 original application, the original idea of
7 what you were going to do in New Orleans when
8 you signed the Cooperative Endeavor Agreement
9 in 2010, did that include the contract numbers
10 that are before us today?

11 In other words, have you completed the
12 original set of expansion or work that you
13 were going to do? And is this something
14 additional or was this part of what you
15 originally planned to do when you relocated
16 everything to New Orleans; am I making myself
17 clear?

18 MR. TODARO:

19 I believe so.

20 CHAIRMAN JONES:

21 Pull the mic a little bit closer to you,
22 please. I'm sorry.

23 MR. TODARO:

24 So --

25 CHAIRMAN JONES:

1 It will pull. Just pull it.

2 MR. TODARO:

3 The original was completed, and thus, the
4 additional ones being asked are building upon
5 the fact that we are fully consolidated here
6 within the City of New Orleans and continue to
7 expand that business in the footprint of our
8 businesses. As we have acquired other brands,
9 we have brought that business into New
10 Orleans. So a perfect example would be, we
11 make a coffee brand called Cafe Bustelo. It
12 was originally produced in Miami, Florida.
13 That business is now produced in the City of
14 New Orleans, which the additional ITEP
15 applications were helping enable.

16 CHAIRMAN JONES:

17 Okay. Mr. Leonard?

18 MR. LEONARD:

19 Excuse me, Chairman.

20 CHAIRMAN JONES:

21 Yes, sir?

22 MR. LEONARD:

23 The Cooperative Endeavor Agreement period
24 term is from 2010 through 2020. All of the
25 investment job and payroll requirements

1 outlined in that agreement run through that
2 term. These investments were all made during
3 the term of that agreement, in which the
4 obligations that were laid out and that from
5 the incentives perspective, ITEP was still
6 active during that term as well as in the
7 event had Folgers been noncompliant at the
8 time these investments were made, then they
9 would have still had fallen under the terms of
10 that contract.

11 CHAIRMAN JONES:

12 I'm not positive I'm making my question
13 clear; either that or I'm not clear on the
14 answer. Was the original investment in 2010,
15 was that completed and these contracts are
16 additional expansions or was everything
17 completed and now this is something that was
18 developed subsequent to the 2010 plans? These
19 contracts, were they subsequent? Were they
20 developed subsequent to the 2010 plans or were
21 they part of the original plan?

22 MR. TODARO:

23 They're part of the original plan as we
24 were the single source manufacturing now. So
25 as we built in 2010 consolidating all the

1 operations, the idea from going forward is any
2 new business that we would bring into the
3 portfolio would then subsequently be produced
4 in New Orleans as a consolidation opportunity,
5 as I mentioned. And then fitting that in
6 under the 10-year agreement that we made in
7 2010, that was our going-in position as we did
8 this. So any decision we've made, we look at
9 sourcing it in New Orleans as the ultimate
10 outcome and bringing that business elsewhere
11 where it's being manufactured to New Orleans.
12 As I mentioned, the one with closing a
13 facility in Miami, Florida and moving that
14 manufacturing to New Orleans occurred in that
15 period of time.

16 CHAIRMAN JONES:

17 I feel like, and respectively, I feel
18 like y'all are making arguments to me instead
19 of answering my questions. So I'm going to
20 try one more time. I think the original
21 contract in 2010 envisioned about a \$69
22 million investment. Are these contracts part
23 of that original \$69 million investment or are
24 these over and above the \$69 million
25 investment?

1 MR. TODARO:

2 These are over and above, sir.

3 CHAIRMAN JONES:

4 All right.

5 MR. TODARO:

6 Yes.

7 CHAIRMAN JONES:

8 Okay. So these contracts were
9 contemplated after you made the decision to
10 come and you entered into the Cooperative
11 Endeavor Agreement?

12 MR. TODARO:

13 Correct.

14 CHAIRMAN JONES:

15 So this is something that was developed
16 subsequent to your decision to come here?

17 MR. LEONARD:

18 (Nods head.)

19 CHAIRMAN JONES:

20 Okay. That's what I'm trying to get to.
21 Thank you very much. Do you know when you
22 made the application to the City of New
23 Orleans for approval of the -- or let me ask
24 it a different way.

25 Did you make any application to the City

1 of New Orleans for approval of these
2 contracts?

3 MR. TODARO:

4 Very technical question.

5 CHAIRMAN JONES:

6 Okay. Let me help you out.

7 MR. TODARO:

8 Yes, sir.

9 CHAIRMAN JONES:

10 Or did the notice to New Orleans and did
11 New Orleans's subsequent reaction to the
12 notice come from LED? Because, normally --
13 let me help you out. Normally, what happens,
14 we approve contracts, we approve contracts and
15 LED sends a notice to the locals saying, we've
16 got these contracts before us, you have X
17 number of days to respond. So what I'm asking
18 is, did you all file any applications with the
19 City of New Orleans or did New Orleans find
20 out about these programs through LED?

21 MR. LEONARD:

22 I cannot speak for New Orleans, but we
23 filed all of the 2017, 2018, and 2019
24 applications after the Board of Commerce and
25 Industry with the City of New Orleans. The

1 City of New Orleans advised us that the 2017
2 and the 2018 applications were not necessary
3 and only accepted the 2019 applications for
4 ITEP.

5 CHAIRMAN JONES:

6 And what were the reasons given for being
7 not necessary?

8 MR. LEONARD:

9 The City of New Orleans indicated that
10 their resolution that they had passed was not
11 applicable to the 2017 and 2018 applications.

12 CHAIRMAN JONES:

13 When you say resolution, are you talking
14 about the ordinance?

15 MR. LEONARD:

16 Forgive me. Correct, I stand corrected,
17 the ordinance.

18 CHAIRMAN JONES:

19 And this is the ordinance that created
20 the criteria that is being argued as more
21 stringent than the ITEP requirements?

22 MR. LEONARD:

23 That is correct.

24 CHAIRMAN JONES:

25 Thank you.

1 MR. LEONARD:

2 The ordinance was passed in 2018. It was
3 2020 when the applications for all years, '17,
4 '18, and '19 went before the Council. And the
5 ordinance was referenced in the decisions
6 rendered by the Council as all of the criteria
7 that needed to be met.

8 CHAIRMAN JONES:

9 Were there any discussions between
10 Folgers and the City of New Orleans or the
11 School Board or any of the local entities
12 about what the expansion plans were or about
13 what you were intending to do under these
14 contracts before you came to LED?

15 MR. TODARO:

16 I was -- I'm not aware.

17 CHAIRMAN JONES:

18 You're not aware of any meetings that
19 happened?

20 MR. TODARO:

21 I was -- at that time, I was not in this
22 role. We can find out that answer from the
23 individuals who were here at the time, but I
24 don't have that answer currently with me. I
25 don't know.

1 CHAIRMAN JONES:

2 Okay. All right. All right. I'm going
3 to take a time out and see if there's any
4 other Board Members that have questions or
5 comments for the Folgers folks. We have
6 plenty of folks who want to speak on this
7 issue, and I apologize for monopolizing it so
8 far, but there were some things I needed to
9 get clear in my mind.

10 Mr. Holley?

11 MR. HOLLEY:

12 Yes, sir. Can you hear me?

13 MR. TODARO:

14 Yes.

15 MR. HOLLEY:

16 Good. Are you contending that the six
17 ITEP approvals that was made by this Board
18 fall under the CEA agreement?

19 MR. LEONARD:

20 Yes, sir.

21 MR. HOLLEY:

22 And what is your authority for that
23 belief or opinion, simply because it was for
24 ten years?

25 MR. LEONARD:

1 Yes, sir.

2 MR. HOLLEY:

3 Have you had an opportunity to review the
4 CEA before coming here today?

5 MR. LEONARD:

6 Yes, sir.

7 MR. HOLLEY:

8 Then you must be familiar with, if I can
9 get to it, or Article IV, I believe, yes,
10 Article IV, Section 4.01, LED Obligations.
11 And it's only two paragraphs, so I'll read it
12 in case you don't remember it. GO Zone Bonds,
13 based on your representations made by the
14 company, the company should qualify for the
15 Gulf Opportunity Zone Bond program, and LED
16 will assist with the application process in
17 support approved by the Commission of the
18 company's application in accordance with the
19 program rules, et cetera.

20 Second paragraph: Industrial Property
21 Tax Exemption, based upon representations made
22 by the company that facilities should qualify
23 for the Industrial Property Tax Exemption.
24 Louisiana Constitution Article VII, Section
25 21f, and LED agrees to support approval by

1 BC&I and the Governor of the company's
2 applications therefore.

3 It says the word should. I didn't read
4 the word shall. So are you saying that the
5 Board should approve obligates this Board to
6 go beyond its rules and regulations and, in
7 particular, this contract?

8 MR. LEONARD:

9 No, sir. Our position is there was a
10 recruitment effort by the Louisiana Department
11 of Economic Development to attract Folgers to
12 New Orleans to expand and consolidate its
13 operations. The incentive package that was
14 offered to induce that investment included the
15 Industrial Property Tax Exemption and it
16 included the 10-year term in which that
17 incentive would be offered and available for
18 the company to utilize.

19 The company embarked on this agreement
20 during the first couple of, I think the first
21 five years of the agreement pursuing the
22 Industrial Tax Exemption Program without
23 incident. Every application had been
24 approved. And I would believe that there
25 would be a case that there was some level of

1 reliance by Folgers that the Cooperative
2 Endeavor Agreement term was open. It had been
3 receiving approvals for all of its ITEPs.

4 We had a change in the program rules and
5 procedures, and we are stipulating that the
6 rules -- I'll say the ordinance of the City
7 Councils, the resolution of the School Board
8 of Orleans, and the procedure that states that
9 the Sheriff shall follow the recommendations
10 of the Council are the tripwires that caused
11 Folgers to not receive the local approvals for
12 their ITEPs; because when only the Board of
13 Commerce and Industry rules were applied,
14 their applications were approved. It was not
15 until we ran into local rules and regulations
16 that had eligibility requirements, which one
17 of them was used as a hammer against us
18 through the local process; and that is, in the
19 Board of Commerce and Industry rules, a
20 company can file in advance, spend its money,
21 and so long as it files its application within
22 90 days of finishing the project, they are
23 still deemed timely. They are still deemed
24 able to pursue ITEP. That is how the program
25 ran very consistently prior to the Executive

1 Order.

2 The New Orleans rule says you can't do
3 that. You must first, before you file your
4 advanced notification, you must go file a
5 local notice of interest with Orleans Parish,
6 then go file your advanced application, then
7 go start the State process. We could not do
8 that with the '18 and '19 applications because
9 this company was following BC&I rules. So we
10 ran smack dab into whether they claim in their
11 resolutions, they usually not -- it was not
12 how they wanted their program run at any level
13 whatsoever.

14 The 2019 applications were filed in
15 accordance with every local procedure and
16 guideline of Orleans Parish, and it was deemed
17 denied because it didn't meet the criteria
18 that they established. All '17, '18, and '19
19 applications were unanimously approved by this
20 Board because they met the Board of Commerce
21 and Industry rules and regulations. So the
22 spirit of the arrangement, Folgers, y'all have
23 operations around the State, we want you here
24 in Louisiana, we'll incentivize you to close
25 facilities, move jobs, add payroll, bring that

1 here; and in return, we have these incentives
2 that we're going to offer you.

3 Our position is is that that worked.
4 Folgers came. They not only met the
5 \$60 million they offered when they entered in
6 this deal, they far exceeded it by tens of
7 millions of dollars. They were not a top
8 taxpayer in the parish before this. There are
9 only three companies that pay more property
10 taxes than Folgers since LED recruited this
11 company to perform its duties to bring new
12 investments and jobs to this State. All we're
13 asking is that during the term of this
14 agreement, we honor the spirit of the
15 incentive arrangements that were offered.

16 MR. HOLLEY:

17 When the contract was entered into in
18 2010, the Executive Order did not exist at
19 that time.

20 MR. LEONARD:

21 That is correct.

22 MR. HOLLEY:

23 Do you contend that this property subject
24 to these six ITEP exemptions is or is not
25 subject to the Executive Order?

1 MR. LEONARD:

2 I'm going to take the liberty of opinion.
3 So when the Executive Order was issued, the
4 Executive Order clearly delineated a line in
5 the sand. As y'all see in your agendas, we
6 have Pre Executive Order applications that
7 fall under a certain set of rules, they don't
8 have local approvals. We have Post Executive
9 Order applications that come before this Board
10 that must follow the local.

11 In our opinion, we just feel this
12 Cooperative Endeavor Agreement, which is an
13 agreement between this company and the State
14 of Louisiana probably should have been part of
15 that grandfather status because there had
16 already been a commitment made to this
17 company, and they should have been treated in
18 the Pre Executive Order posture, but they have
19 not been. That did not land in the rules.
20 That is not the case. So we had to follow
21 Post Executive Order rules and procedures,
22 which landed us unanimously here with the
23 Board of Commerce and Industry rules, but we
24 ran afoul of the rules that Orleans Parish
25 governing bodies had intact that far exceed

1 the rules that this Board utilizes to approve.

2 MR. HOLLEY:

3 One or two more questions. Is the
4 property on the tax rolls today?

5 MR. LEONARD:

6 No, sir.

7 MR. HOLLEY:

8 And why not?

9 MR. LEONARD:

10 If -- it's a Catch 22, quite frankly.

11 MR. HOLLEY:

12 I didn't mean it that way.

13 MR. LEONARD:

14 Yes, sir, not your question, but putting
15 property taxes on the rolls would cause
16 Folgers to lose their right to pursue appeal
17 and to have an opportunity to have this
18 exemption. So there has been a very strong
19 effort to keep and preserve the rights of
20 Folgers to have our day here before you so we
21 could have a final ruling here.

22 When the tax assessor played -- made an
23 effort to place these assets -- this property
24 on the rolls last summer, all right, there --
25 we went to court. Okay. And we went to court

1 in Orleans Parish to preserve our rights to
2 have our opportunities to appeal to this
3 Board. It was determined that, and we have
4 counsel here who can speak more specifically,
5 but the gist of what happened is the Court
6 ruled to allow Folgers property to remain off
7 of the rolls. All of the other property in
8 Orleans Parish that was taxable landed on the
9 rolls so that Orleans Parish could receive
10 their revenue. That opinion, which I think
11 was very important, was appealed through the
12 First Court of Appeals in the area, it was
13 denied. Another writ was issued to the
14 Supreme Court of Louisiana, and that writ was
15 denied.

16 So in the decision by the Orleans Parish
17 Court, it was determined that the Board of
18 Commerce and Industry is the proper
19 jurisdiction for handling this matter and not
20 the courts. And they were allowing the
21 property to not be taxed until a resolution
22 could be had by this Board.

23 MR. HOLLEY:

24 Is there any reason you could not have
25 paid it under protest? Is that from legal

1 advice or what's the reason for that?

2 MR. LEONARD:

3 Yes, sir. As you may recall, last Board
4 meeting, we had a case before here, the Sierra
5 Frac case where they actually did pay under
6 protest, and they lost those years of
7 exemption.

8 MR. HOLLEY:

9 And my final question, initially, when
10 the Industrial Tax Exemption Program was given
11 to you back in 2010, was there an estimation
12 at that time of the tax savings that would be
13 made to Folgers?

14 MR. LEONARD:

15 I'm sure there was, but I'm not aware of
16 that number, sir.

17 MR. HOLLEY:

18 Does 17.8 million sound about correct?

19 MR. LEONARD:

20 I don't have any reference for that, and
21 I apologize.

22 MR. HOLLEY:

23 That's all I have, Mr. Chairman.

24 CHAIRMAN JONES:

25 Mr. McInnis?

1 MR. MCINNIS:

2 Thank you, Mr. Chairman. Sir, without
3 the investment from the 2010 CEA, would you
4 have been able to make the investments in
5 these six contracts?

6 MR. TODARO:

7 If I understand your question correctly,
8 if we hadn't made the investment in 2010, and
9 again, the investment was greatly influenced
10 by the Cooperative Agreement, I'm -- I'm not
11 sure we would -- go ahead. I'm sorry.

12 MR. MCINNIS:

13 The whole idea of this recruitment and
14 for you guys consolidating your company in an
15 area, forget about New Orleans and forget
16 about anywhere else, was to expand your
17 company, was to be able to offer these
18 products is what I'm seeing sitting here. And
19 so that original plan is coming together with
20 these six investments --

21 MR. TODARO:

22 Yes, sir.

23 MR. MCINNIS:

24 -- in the State of Louisiana.

25 MR. TODARO:

1 Correct. And if there's no 2010, there's
2 no telling if there had been anything past
3 that.

4 MR. MCINNIS:

5 Right. So the original notice was that
6 2010 CEA for your next meeting. If, you know,
7 City Council wants to ask or create a rule of
8 some notice of investment to create
9 consistency for companies like yours, large,
10 who are competing within themselves much less
11 from state to state from Parish to Parish to
12 be consistent, you would have almost had to
13 know if you were on the giving end of this
14 exemption that these things were going to
15 happen.

16 MR. TODARO:

17 It's --

18 MR. MCINNIS:

19 That agreement --

20 MR. TODARO:

21 Yes.

22 MR. MCINNIS:

23 -- to me, seems like I would have
24 expected you as a company to do these type of
25 things and you should have expected from me,

1 if I'm the City of New Orleans, to give you
2 the same exemptions going forward with
3 everything else being everything having been
4 complied to, in which I believe everything was
5 complied, except for that ordinance from the
6 City of New Orleans.

7 MR. LEONARD:

8 Correct. And in furtherance to this,
9 from the Center Daily Newspaper, November 15,
10 2013, I read: Smuckers Coffee production was
11 consolidated to the New Orleans area as part
12 of a \$70 million move announced in 2010
13 closing plants in Kansas City, Missouri and
14 Sherman, Texas.

15 That could have been New Orleans,
16 Louisiana had one of those other facilities
17 had been chosen for the consolidation.
18 Orleans won the consolidation competitive
19 battle. In the analysis as to where to put
20 this site, Louisiana put a very competitive
21 offer, a very compelling offer that included
22 ITEP as part of its incentive and recruitment
23 package. As a result, Louisiana is not listed
24 as a location where something was closed.
25 Louisiana has taken a facility that didn't hit

1 the statistical property tax meters in Orleans
2 Parish to be the fourth largest payer in the
3 City.

4 There are only three companies that pay
5 more property tax. And that is a direct
6 result of the initial recruitment and then
7 Folgers continued built and continued
8 investment into the Parish.

9 MR. MCINNIS:

10 I believe in the Executive Order. I
11 believe in the local control. I wouldn't be
12 up here if I wasn't the Parish president.

13 MR. LEONARD:

14 Yes, sir.

15 MR. MCINNIS:

16 So but just like in my Parish, you know,
17 we make mistakes at the local level,
18 especially in the beginning phases of this
19 Executive Order. So, you know, I just think
20 that this was a mistake maybe on both ends.
21 And my good friends submitted a letter today.
22 But I think in the best interest of this
23 Board, that area, many of those 700 jobs
24 reside in my Parish. And for me, it wouldn't
25 be a good thing if we did not approve this

1 today. Thank you, sir.

2 MR. LEONARD:

3 Yes, sir.

4 CHAIRMAN JONES:

5 Any other questions or comments for the
6 folks from Folgers from the Board?

7 Mr. -- Senator Allain?

8 SENATOR ALLAIN:

9 Yeah, so a lot has been talked about the
10 commitment of this State. Does the Secretary
11 care to comment or clarify what the commitment
12 of the State was in 2010, and did that extend
13 to the contracts? In your opinion, does that
14 extend to the contracts that we have before
15 us?

16 SECRETARY PIERSON:

17 Don Pierson, Secretary of Louisiana
18 Economic Development. Senator, thank you for
19 the question. Taking a look back at what was
20 negotiated Cooperative Endeavor Agreement,
21 what would the State provide, what would
22 Folgers provide, and then eventually coming to
23 a contract, a handshake, a CEA and what was
24 enumerated was that a comprehensive package, a
25 very attractive package was put on the table.

1 As Mr. Leonard correctly points out, Louisiana
2 won the competition, and the two parties had
3 an obligation to each other. Louisiana's
4 package was valued at roughly \$53 million. We
5 were asking for two things: One, an
6 investment of at least \$69 million; but more
7 importantly, and why Economic Development
8 performs its important role was the assurances
9 that Folgers would employ more than 500 people
10 over the following 10-year period and produce
11 roughly an average sake of \$35 million a year
12 in payroll for each one of those 10 years.
13 That was 2011 through 2020.

14 I think the State performed its
15 obligations. I think the record will reflect
16 that the initial investment went under ITEP
17 approved by this Board, and that the financial
18 benefits of that were enjoyed by Folgers.
19 Beyond that, their success, which one could
20 argue the State played a role in, allowed them
21 to make additional investments. And those
22 investments are the ones that are being
23 considered here today by this Board.

24 SENATOR ALLAIN:

25 So does LED have an opinion on the ones

1 before the Board today? Was that part of the
2 original obligation, whether --

3 SECRETARY PIERSON:

4 There was an issue of obligation. We
5 went back and we would clawback against
6 Folgers should they have only come with
7 \$50 million of investment as opposed to what
8 the requirements were, or if they only
9 employed 400 people instead of the numbers
10 that were directed. So in terms of this
11 agreement, I think all the obligations were
12 met by the parties. And these additional
13 investments were made -- they were made post
14 Executive Order. So it's in the public record
15 that there will be a voice by the local
16 communities.

17 We may or may not like what local
18 governing authorities choose to either bases,
19 but local governing authorities do a lot of
20 things. They make sign ordinances, they make
21 zoning, they make the land use ordinances.
22 And so we respect that, and I think that was a
23 requirement that came forward from the
24 Governor was to respect what the Parish
25 President wants in his Parish. We work in all

1 64, and it's not uniform throughout the State.
2 That's just a part of the uniqueness of our
3 democracy.

4 So I think the issues before the Board
5 today are not completely tied to the previous
6 Cooperative Endeavor Agreement in which all
7 parties executed their responsibilities.

8 SENATOR ALLAIN:

9 But was there -- it seems there was an
10 implied obligation if they made an additional
11 commitment, then that would -- it would
12 continue in the ITEP program as was stated
13 before or not?

14 SECRETARY PIERSON:

15 In order for that to be a part of this
16 discussion, and we do this with some of our
17 existing industry, we sit down and we have a
18 conversation about proposed expansion. And
19 sometimes we work out additional incentive
20 programs related to those and enumerate what
21 these additional investments are. Now, they
22 don't have to come to us, so they don't always
23 do that. And they can use firms that do this
24 type of consulting work to file the
25 appropriate papers and be advised of the

1 current conditions under which they would ask
2 for these exemptions. But there was not, to
3 my knowledge, a proposed path forward that was
4 executed with Folgers. I could have missed
5 some of that. I was not the Secretary at the
6 time.

7 SENATOR ALLAIN:

8 I understand. Thank you.

9 CHAIRMAN JONES:

10 All right. I have a question and I think
11 it's for you, Mr. Leonard. Reference has been
12 made to this Cooperative Endeavor Agreement
13 and the word support; LED should, not shall,
14 but should support. What do you think that
15 word means, support?

16 MR. LEONARD:

17 Very broad term. It's our opinion that
18 the Cooperative Endeavor Agreement laid out
19 minimum expectations for Folgers to meet,
20 which is where the \$60 million investment
21 comes from; and that had Folgers not met that
22 minimum investment, they would have been
23 penalized. To not approve an ITEP for
24 exceeding \$60 million appears to also be a
25 penalty in its own form. Should means and to

1 support, we received full support for every
2 ITEP prior to the Executive Order. I do
3 believe support would have been grandfathering
4 us as part of the Executive Order process that
5 we know we have a contract with this company
6 and we've committed to support ITEP and we're
7 going to have you adhere to the pre Executive
8 Orders like other folks, who had advanced
9 notifications filed.

10 Also, I think support could have been
11 having folks helping Orleans Parish understand
12 they have a unique project coming before them
13 for approval, and that we do have an agreement
14 and look at all the great things that this
15 company has done. And your rules are outside
16 of the BC&I rules and help us lobby and get
17 the support needed at the local level. So
18 there's -- it's a broad term. It was not
19 specifically spelled out in this agreement,
20 but our position is more along the lines of
21 reliance on the past of we have an agreement,
22 it's worked perfectly in the past. We are
23 continuing to build off our investments in the
24 future, and we have continued as Folgers to do
25 all the same things that we've done step by

1 step with the investments and the jobs to
2 receive ITEP approvals in hopes that we would
3 in the future.

4 CHAIRMAN JONES:

5 So are you saying that support would have
6 included some decision by this Board to
7 grandfather you into the preEO rules? Is that
8 what you're saying?

9 MR. LEONARD:

10 This is the Board of Commerce and
11 Industry, which is not a part of the
12 Cooperative Endeavor Agreement.

13 CHAIRMAN JONES:

14 That's where I'm going.

15 MR. LEONARD:

16 Yes, sir, but I was not aware of any
17 recommendation from any other bodies to do so,
18 which could have been deemed a form of
19 support.

20 CHAIRMAN JONES:

21 Could Folgers have avoided this issue
22 entirely by filing advanced notifications so
23 as to preclude the necessity of following
24 under the post EO rules?

25 MR. LEONARD:

1 That definitely would have been an option
2 for Folgers, but that would have been contrary
3 to the way they had utilized the program for
4 every year prior to the changes that were
5 coming into place.

6 CHAIRMAN JONES:

7 But it was an option available?

8 MR. LEONARD:

9 Yes, sir, it was an option for everybody.
10 Yes, sir.

11 CHAIRMAN JONES:

12 Okay. These applications and their only
13 appearance before this Board, they were
14 approved?

15 MR. LEONARD:

16 I --

17 CHAIRMAN JONES:

18 When these applications originally came
19 to this Board, this Board approved those
20 applications.

21 MR. LEONARD:

22 Unanimously.

23 CHAIRMAN JONES:

24 Unanimously.

25 MR. LEONARD:

1 Yes, sir.

2 CHAIRMAN JONES:

3 That would be deemed support.

4 MR. LEONARD:

5 Absolutely. And LED supported us through
6 that process.

7 CHAIRMAN JONES:

8 Okay. I guess what I'm wrestling with is
9 I don't know how we have not supported, how
10 LED and the Board of Commerce and Industry
11 have not been supportive of Folgers. I don't
12 understand that contingent frankly. I want to
13 better understand. I don't understand how we
14 have not been compliant with the contract. I
15 don't understand how we, how LED and the Board
16 of Commerce and Industry have not been
17 supportive of Folgers up to this point.

18 MR. LEONARD:

19 For the record, I don't believe that is a
20 position that is being presented. I think our
21 position is we are asking for your continued
22 support at this time.

23 CHAIRMAN JONES:

24 Okay. All right. Okay. So we're in
25 agreement, we have been supportive thus far?

1 MR. LEONARD:

2 A hundred percent, yes, sir.

3 CHAIRMAN JONES:

4 Thank you.

5 MR. LEONARD:

6 Yes, sir.

7 CHAIRMAN JONES:

8 And we may have gone the long way around
9 that barn, but I think we got there.

10 MR. LEONARD:

11 Yes, sir.

12 CHAIRMAN JONES:

13 All right. Any other questions or
14 comments from the Board Members for Folgers
15 folks?

16 Now, I know we have a lot of folks who
17 had signed up to comment in favor of this
18 special request. I have some 31 cards. I
19 think I've -- I don't want to impinge on
20 anybody's right to express themselves, but
21 neither do I want to parade 31 people across
22 the meeting that's going to say the exact same
23 thing. I would welcome the opportunity for
24 one person who may be a representative of the
25 31, if that would be okay, but I'm -- I'm not

1 inclined to protract this meeting by having 31
2 people parade and say, I support Folgers.

3 Is that -- is there -- Mr. Leonard, do
4 you know of someone that could come speak and
5 basically surmise what all 31 of these folks
6 are going to say?

7 MR. LEONARD:

8 Folgers has a number of employees and
9 friends who have filed cards and have just
10 asked to have the cards read as support into
11 the record for this application.

12 CHAIRMAN JONES:

13 Okay. All right. Well, let's do that
14 then. We have Ms. Mary Anne Mashaft actually
15 speaking against. Forgive me, this is the
16 wrong stack.

17 Mr. Chris Todaro is speaking for,
18 Ms. Cheryl Kornick is speaking for, Mr. Chad
19 Renz, R-E-N-Z, speaking for, Tamika Stansberry
20 speaking for, Nigel Garbutt speaking for, Dave
21 Gower speaking for, Tracy Ancar, I hope I'm
22 pronouncing some of these names correctly,
23 forgive me if I'm not, speaking for, Lawrence
24 Guerra speaking for, Florence Videau speaking
25 for, Robinique LeBeouf speaking for, I'm

1 having a difficult time reading, Dave Brokoir,
2 I believe, forgive me if I'm not pronouncing
3 correctly, Kenneth Jones speaking for, Glenn
4 Vinson speaking for, Donald Alphonso speaking
5 for, Shauna Ewens, Gerard French, Evette
6 Rogers, Gene Collins, Joyclyn Thompson,
7 Matthew Hlas perhaps, I'm sorry, Pavina
8 Gonzalez-Ouiroga, Nathan Mason, Jeanette
9 Knudsen, Jill Smiley, Katherine Kehres, Chad
10 Dyer, Christine Herrara, Joe Stanziano, Abbey
11 Linville, Frank Cinlle, I believe. Those are
12 the cards I have to speak in favor of the
13 project.

14 Forgive me, these are all opposed, we'll
15 come to those in just a moment. All right.
16 Anything else from the Folgers group?
17 Anything in closing?

18 MR. LEONARD:

19 No, sir. Thank you for your time.

20 CHAIRMAN JONES:

21 Thank you very much.

22 MR. LEONARD:

23 Just one last comment to regroup, again,
24 the reason we are here is because of the local
25 ordinances that exceed Board of Commerce and

1 Industry's rules.

2 CHAIRMAN JONES:

3 Thank you very much. Okay. I know we
4 have a number of folks that want to speak in
5 opposition. Again, we received just -- I
6 received a packet of information yesterday
7 afternoon that I did not get to read until
8 about 5:30 this morning. Thank you very much.
9 I've received another packet of information
10 just now that I've obviously not read at all.
11 So I don't -- anytime y'all are providing this
12 information to be considered, please give it
13 to us before the meeting. Getting it to me in
14 the middle of the meeting is really not
15 productive in any shape, fashion, or form,
16 because I just don't have time to sort it.

17 But do we have someone to speak against
18 the special requests? Please come forward and
19 state your name. And, again, I have only four
20 cards of folks that want to speak against, and
21 I'm not inclined to, again, parade the same
22 message over and over again, but we'll see how
23 we go with this.

24 Yes, sir. State your name.

25 MR. ZERVIGON:

1 Thank you. I'm Carlos Luis Zervigon.
2 I'm the Vice President of the Orleans Parish
3 School Board here to speak on behalf of the
4 Board.

5 CHAIRMAN JONES:

6 Thank you.

7 MR. ZERVIGON:

8 I believe y'all did receive a letter from
9 us, all seven members of the School Board
10 signed it. It was also signed by six of the
11 seven members of the New Orleans City Council
12 and the Sheriff, all of us asking that you
13 please not entertain this appeal. We feel
14 that we had developed, as you all asked us to,
15 a process. We very much appreciate Folgers.
16 We love having Folgers in New Orleans, you
17 know. In time, the memorial in New Orleans
18 has been the biggest area importing of coffee
19 in the United States. It's deep within our
20 culture and our identity. And having Folgers
21 there participating as to what they do means a
22 great deal to us as a member of our community.

23 And as they stated, they have prospered
24 in our area under the program as they've
25 previously existed. They used, I felt, very

1 harsh words to describe our local elected body
2 in their presentation a moment ago saying a
3 lot of things that were not brought up
4 earlier. And if it was so egregious, I'm not
5 sure why it wasn't brought up earlier, you
6 know. I mean I might not be a lawyer, I am an
7 educator. I know something about government.
8 I know what the needs of our schools are, how
9 desperately underfunded they are. We made a
10 unanimous decision that we would like these
11 taxes paid; that the money is desperately
12 needed for us to forego it.

13 I would suggest, at least from where I
14 sit, the entire integrity of the idea of a
15 local stay is at question today. If we follow
16 what we're supposed to do, we go through a
17 process. And now, we're finding ourselves
18 here in a two-year protracted fight, which to
19 us feels like delaying and dragging it out,
20 but I would hope it would be an inevitable
21 conclusion that the local say is approved. So
22 I would ask y'all to think about that as well.
23 So I'm here representing a unanimous School
24 Board, unanimous City Council, and the Sheriff
25 asking that this appeal be rejected.

1 CHAIRMAN JONES:

2 Were you part of the School Board when
3 the criteria were developed?

4 MR. ZERVIGON:

5 I was not. I came on literally the month
6 after the vote was taken. I did attend the
7 meeting, but I was not on the Board at that
8 time.

9 CHAIRMAN JONES:

10 Have you discussed how the criteria were
11 developed with members of the School Board?

12 MR. ZERVIGON:

13 No. That, I would leave to the staff who
14 know more about that.

15 CHAIRMAN JONES:

16 My problem is staff is not here today.

17 MR. ZERVIGON:

18 I know. I know, sir.

19 CHAIRMAN JONES:

20 And so I'm trying to wrap my head around
21 how those criteria were developed, but you
22 don't have any information one way or the
23 other?

24 MR. ZERVIGON:

25 No. No, I would suggest maybe others who

1 would follow me to speak today would come, who
2 have been working on this for a very long time
3 as our partners could probably answer all of
4 your questions regarding that.

5 CHAIRMAN JONES:

6 Okay.

7 MR. ZERVIGON:

8 I'm here representing the local governing
9 officials, we're just asking you. Please
10 respect that. That's my lane.

11 CHAIRMAN JONES:

12 All I want is information. I apologize.
13 I don't --

14 MR. ZERVIGON:

15 I know.

16 CHAIRMAN JONES:

17 You were just a little bit late to the
18 game.

19 MR. ZERVIGON:

20 Again, but I would just emphasize the
21 entirety of the School Board and City Council
22 and Sheriff have signed a letter asking. I am
23 the one who came on their behest in order to
24 make this appeal to you.

25 CHAIRMAN JONES:

1 Thank you for making the trip. Thank you
2 very much.

3 Any other questions or comments from the
4 Board?

5 Thank you very much.

6 All right. Mr. Waltzer?

7 MR. WALTZER:

8 Yes, sir.

9 CHAIRMAN JONES:

10 I haven't seen you in too long. I hope
11 you're doing well.

12 MR. WALTZER:

13 Yes, it's nice to be back. Thank you.

14 CHAIRMAN JONES:

15 Indeed. State your name and position,
16 please.

17 MR. WALTZER:

18 My name is Joel Waltzer, and I'm a member
19 of and counsel to Together Louisiana. We'd
20 like to -- I'd like to make some comments
21 about the Folger special appeals. In 2020, in
22 the worst of COVID downturn, the New Orleans
23 City Council and Orleans Parish School Board
24 voted to reject the six industrial tax
25 exemption requests filed by Folger under the

1 2018, importantly, under the 2018 rules. Now,
2 Folger only appeals now two years after those
3 local rejections asking the BC&I to ignore the
4 elected bodies, who still want, unanimously
5 would like to see the revenue. And to deny
6 them the revenue that they decided, that the
7 elected bodies decided to keep. Folger's
8 appeals must be rejected.

9 And I have essentially four, what I
10 believe, are compelling reasons why I believe
11 you should reject these. First, the local
12 ITEP guidelines did not cause the rejection of
13 Folgers exemptions. In fact, in the
14 resolutions denying Folger's exemptions, the
15 City Council plainly stated, the City Council
16 expressly finds that ordinance, the ordinance,
17 the guidelines, Cal Number 32472 does not
18 apply to these applications, which was
19 initiated prior to the passage of the
20 legislative instrument. The same language was
21 included in the resolutions denying each of
22 Folger's exemption requests. Folger did not
23 attach these resolutions or provide them to
24 the Board.

25 The resolutions themselves explicitly

1 state that the denials were based on financial
2 need. They simply could not afford the loss
3 of revenue, not connected to any guideline or
4 any criteria that are separated or allegedly
5 more stringent. This is what the City Council
6 resolved; whereas, the COVID-19 pandemic in
7 rejecting these applications, the COVID-19
8 pandemic has devastated the tourist based
9 economy of New Orleans and caused
10 unprecedented budgetary crises resulting in
11 significant revenue shortfalls, Citywide
12 reductions in public services, and most
13 devastatingly, the furlough of City employees;
14 and whereas, the City Council finds that in
15 the current budgetary climate, the need for
16 the immediate tax revenue to bolster the
17 City's devastated finances significantly
18 outweighs the ancillary economic benefits
19 articulated in the application.

20 So they decided to deny the applications
21 based on the financial -- their financial
22 needs. And the Orleans Parish School Board
23 resolved; whereas, the Orleans Parish School
24 Board's administrative staff further
25 determined that based on the significantly

1 reduced future revenues from the Minimum
2 Foundation Program, due to the impacts of the
3 COVID-19 pandemic, the School Board cannot
4 fiscally tolerate the additional loss of
5 revenue that would result if said applications
6 were to be granted. And they did this for
7 each of the applications before you. The
8 financial needs of the local governments in
9 providing their citizens with essential
10 services was, in fact, the centerpiece of the
11 ITEP reforms enacted to give them a voice.
12 BCI has affirmed or abided by the local
13 decisions made on this financial need basis in
14 every other instance overturning the local
15 decisions here in the face of necessatives
16 financial circumstances would constitute
17 improper special treatment to Folgers and
18 Folgers alone and contradict BCI's own
19 promulgated rules and policy reforms.

20 Second, the local guidelines in question,
21 while not the basis of the decision to reject
22 Folgers, were established not in a rogue way,
23 as I believe at least as I heard it suggested
24 by Folger, they were established at the
25 explicit direction of this Board in its 2018

1 rules.

2 Rule 503H1 directed that local government
3 entities for each Parish in consultation with
4 the Parish Assessor and upon request, the
5 guidance from the department shall make best
6 efforts, not should, shall make best efforts
7 to develop reasonable guidelines for
8 application approval and/or denial within a
9 certain amount of time. And that's exactly
10 what Orleans Parish governmental entities did.
11 New Orleans City Council and the School Board
12 in a deliberative process that included LED
13 adhere to this directive and enacted
14 guidelines to review ITEP applications. In
15 the five years that followed, neither LED nor
16 the BCI has ever placed Orleans Parish on
17 notice that any of their guidelines were
18 unacceptable or conflict with BCI's, which in
19 fact I believe they don't. Without such
20 notice and subsequent refusal by Orleans
21 Parish to change, this Board must not withdraw
22 the local discretion granted to Orleans
23 Parish, which as Folger just told you, would
24 be the clear effect of sustaining these
25 appeals, especially where the requests were

1 not caused, were not independently -- they
2 were independently denied for financial
3 reasons, which I believe is the right reason
4 according to -- that would satisfy the Board.
5 You can't withdraw that local, that local
6 discretion, right. And if you wanted to do
7 that, it would require -- it would require an
8 express directive. And, frankly, because it's
9 baked into your regulations, it would require
10 a rule making.

11 Third, Folger misconstrues the 2010
12 Cooperative Endeavor Agreement to suggest that
13 it is entitled to the ITEPs in question. That
14 is simply not the case. As it must, as it
15 must, the 2010 CEA was engaged on a specific
16 set of investments which were provided a
17 specific set of inducements. Louisiana made
18 no carte blanche promise, as Folger suggests,
19 to approve all ITEP requests and submitted in
20 the following 10-year period without regard to
21 the merit or regulation. That would
22 effectively yield a 20-year benefit. Further,
23 the 2010 CEA stated that LED would support, as
24 you've already noted, and LED and the BCI have
25 done that at every instance. Louisiana has

1 kept all of its promises.

2 The CEA was made on the SM project to
3 relocate to this State. The CEA listed the
4 exact investments that were going to get
5 ITEPs. In the Cooperative Endeavor Agreement,
6 Louisiana listed the exact set of inducements
7 that it was going to provide. And Louisiana,
8 in fact, provided every one of those
9 inducements and met all of its obligations
10 under the CEA. These applications are
11 separate, and they're filled post-2018, which
12 is why they are subject to local discretion.

13 In fact, only one of the -- LED listed
14 in, and you know, I requested records, and LED
15 listed the ITEPs that were subject to the 2010
16 CEA as 20100917, 20100917-A and 0917-B, and
17 20100720 and 0720-A, none of which are before
18 you today. They've all received their due
19 treatment.

20 And, finally, Folger does not appeal the
21 Orleans Sheriff's rejection of these IDs. The
22 Orleans Parish Sheriff doesn't have
23 guidelines, right, nor does it dispute that 20
24 percent of the investments made subject to
25 these applications were taxable in any case.

1 Nonetheless, Folger has not paid any tax on
2 these projects, including the undisputed
3 amounts that would otherwise be owed, right,
4 though some finally completed as far back as
5 2018, and a delay being placed on the taxable
6 rolls by I believe falsely certifying that its
7 property was exempted and/or that these ITEs
8 were pending when, in fact, they were denied
9 long ago as the staff of LED told Folger.
10 And, again, Folger claimed even here today
11 that ITEP Rule 517 precluded it from paying
12 these undisputed amounts, right, less they be
13 automatic, their ITEPs be automatically
14 denied; when in fact, the rules were changed
15 under the 2018 regulatory regime. Rule 517
16 says exactly the opposite Folger should not be
17 rewarded after waiting two years to file what
18 we believe is a meritless appeal.

19 So we have attached several documents to
20 our submission to you, including the CEA.
21 There's an exhibit, for instance, the CEA
22 Exhibit C, right, which I -- and Folger
23 provided to you as well, the CEA Exhibit C is
24 entitled Capital Project Budget for Folger
25 Project SM, right. I mean the cover letter

1 that LED sends said, Louisiana is pleased to
2 offer a comprehensive incentive package valued
3 at \$52.67 million for Project SM for phase one
4 and \$5.3 million for phase two for Folger's
5 key operations center for a total of
6 \$57.9 million. The Capital Project Budget for
7 Project SM was \$69 million. In the CEA
8 itself, it says the \$69 million is -- and
9 that's exactly what the ITEPs, they already
10 received were for the \$69 million in
11 investments.

12 So the CEA has been satisfied by the
13 State and does not apply here. It does not
14 obligate this Board. And, frankly, it does
15 not and cannot overrule the 2018 regulations
16 that give local government the discretion and
17 authority to decide up or down whether or not
18 they -- you know, whether or not -- whether
19 they can afford it. And that's exactly what
20 they did. They decided that they could not
21 afford these, particularly at the very height
22 of the COVID pandemic. All right. And so the
23 other -- let's see.

24 Oh, well, I think I'll let someone else
25 talk about the other documents. Do you have

1 any questions for me?

2 CHAIRMAN JONES:

3 Yes, we do. Let's just be sure we set
4 the table here. There is no argument, is
5 there, that the School Board and the City
6 Council enacted criteria that are different
7 from ITEP, from the State ITEP criteria; do we
8 agree on that?

9 MR. WALTZER:

10 Pursuant to Rule 517, they were directed
11 to and they did in fact make their own
12 guidelines.

13 CHAIRMAN JONES:

14 Okay. Now, Rule 517 -- excuse me. No,
15 it's actually Rule 503H2.

16 MR. WALTZER:

17 I'm sorry.

18 CHAIRMAN JONES:

19 And what it says is they should make best
20 efforts to develop reasonable guidelines; is
21 that correct?

22 MR. WALTZER:

23 Yes.

24 CHAIRMAN JONES:

25 Okay. So really what we should debate

1 what reasonable means; is that fair? Whether
2 these criteria that are more strict than the
3 State regulations, are they reasonable or not;
4 isn't that really the debate?

5 MR. WALTZER:

6 We could -- to me, if there is some
7 feeling that they are not reasonable, then you
8 should be working with your local partner to
9 resolve those differences, not withdraw their
10 ability to have, without notice, withdraw
11 their ability to have --

12 CHAIRMAN JONES:

13 So it would be your position then that if
14 we did work with the City of New Orleans and
15 the School Board to try to educate them of why
16 their ordinances were not good, that would
17 have been appropriate? If we had done that,
18 that would have been appropriate?

19 MR. WALTZER:

20 Prior to yanking their local discretion,
21 I would imagine, yes.

22 CHAIRMAN JONES:

23 Okay. So if we have somebody come up and
24 say, yeah, we did in fact do that, then that
25 would check that box for you?

1 MR. WALTZER:

2 I don't -- again, the regulations didn't
3 cause the rejections.

4 CHAIRMAN JONES:

5 We'll get to that. Hold on a minute.

6 MR. WALTZER:

7 New Orleans is fighting --

8 CHAIRMAN JONES:

9 We'll get to that in a minute. Hold on.
10 We're not there yet.

11 MR. WALTZER:

12 Okay.

13 CHAIRMAN JONES:

14 I know I move at a slower pace than you
15 do because I'm -- but just let me get there.
16 So the School Board and the City both adopted
17 criteria that are at least different from
18 ITEP, and we can argue whether they are
19 reasonable guidelines or not. Let me ask you
20 this, if the City of Lafayette, for example,
21 because of its heavy reliance on the fossil
22 fuel industry decided to enact an ordinance
23 that said, we are only going to grant ITEP
24 manufacturing applications to those
25 manufacturing processes that employ fossil

1 fuels and none other, would that be a
2 reasonable guideline?

3 MR. WALTZER:

4 It's not one that I would politically
5 agree with, but I'm not in a position to say
6 that.

7 CHAIRMAN JONES:

8 So I guess then your position then is any
9 -- any criteria that any municipality passes
10 must therefore be okay, because I mean most
11 people would agree that that is a pretty out
12 there criteria.

13 MR. WALTZER:

14 Well, we're not talking about --

15 CHAIRMAN JONES:

16 Well --

17 MR. WALTZER:

18 Yes, they are --

19 CHAIRMAN JONES:

20 You can tell me where the lines are,
21 Mr. Waltzer, but the question is, are there
22 lines? Is there something that's
23 unreasonable? Is there something that's
24 unreasonable?

25 MR. WALTZER:

1 Well, I mean, and what everybody would
2 normally consider reasonable and unreasonable,
3 I have subjective lines and you have
4 subjective lines. We are not the elected
5 bodies of Orleans Parish. We're not the
6 elected bodies of the City of Lafayette. They
7 have their own reasons and their own policies.
8 New Orleans is a Home Rule Charter and they
9 have their own, for instance, residency
10 requirements and other things that they do all
11 the time. And, you know, I mean I'm not in a
12 position to tell you that, if they can or
13 cannot --

14 CHAIRMAN JONES:

15 I can't let the Home Rule Charter comment
16 go unaddressed.

17 MR. WALTZER:

18 Okay. I mean it's not your manual.

19 CHAIRMAN JONES:

20 Excuse me, this is -- this is --

21 MR. WALTZER:

22 Your show.

23 CHAIRMAN JONES:

24 Exactly. Thank you. Yes, New Orleans is
25 a Home Rule Charter. And, frankly, that was

1 one of the first questions I asked when this
2 issue came up, but then I realized The Board
3 of Commerce and Industry is also a
4 constitutionally mandated body --

5 MR. WALTZER:

6 Yes, it is.

7 CHAIRMAN JONES:

8 -- with powers equally to and at least in
9 Jones's opinion, as far as ITEP is concerned
10 high and above any municipality including Home
11 Rule municipalities, because we are
12 specifically under the Louisiana Constitution
13 granted the authority to determine only this
14 Board and the Governor are in power to
15 determine what is in the best interest of the
16 State as it refers to ITEP, not the City of
17 New Orleans, not the City of Mamou.

18 MR. WALTZER:

19 Right.

20 CHAIRMAN JONES:

21 Only this Board and the Governor. And so
22 when the City of New Orleans or the City of
23 Lafayette or the Village of Mamou decide to
24 pass ITEP requirements that are different from
25 what this Board has passed, they have to be

1 judged by this Board as whether they're
2 reasonable. And I think we have to agree, if
3 something is reasonable, there must therefore
4 be something that is unreasonable. So what we
5 have to decided today as a Board are, are
6 these criteria reasonable? Jones has an
7 opinion, obviously. Other Board Members may
8 have an opinion, but we'll get to that in a
9 minute.

10 Next question, first of all, so the
11 School Board passed criteria. The City passed
12 criteria. The Sheriff, we don't have any idea
13 whether he passed criteria or not.

14 MR. WALTZER:

15 He did not.

16 CHAIRMAN JONES:

17 Well, we don't know, I mean, if he has a
18 meeting every morning when he shaves. So I --
19 you know, we don't know what was going on
20 inside the Sheriff's mind when he signed the
21 letter. So we don't know whether he has
22 criteria or not or do you?

23 MR. WALTZER:

24 It's my understanding that he does not.
25 He's based on and the City and the School

1 Board --

2 CHAIRMAN JONES:

3 Wait a minute. Wait. Wait.

4 MR. WALTZER:

5 He -- and I don't know. I haven't spoken
6 to him.

7 CHAIRMAN JONES:

8 All right. Okay. So that's where I'm
9 going.

10 MR. WALTZER:

11 But this Board --

12 CHAIRMAN JONES:

13 You don't know the Sheriff.

14 MR. WALTZER:

15 This Board exercised its constitutional
16 discretion and provided the local governments,
17 right, with the right that is involved here.

18 CHAIRMAN JONES:

19 To make reasonable guidelines. Okay.

20 MR. WALTZER:

21 No, and with the right of rejection.

22 CHAIRMAN JONES:

23 Yeah, they have the right of rejection.
24 We'll get to that as well. Now, you said that
25 the -- let's -- first of all, the School

1 Board's resolution themselves, they don't
2 mention -- they don't mention whether the
3 criteria are specifically relied on or not.
4 They cite the -- the School Board basically
5 says, these are our criteria, they don't need
6 them; oh, by the way, we also need the money.
7 Now, you may argue it the other way. They may
8 say, we need the money, and they don't meet
9 our criteria, is that what the School Board
10 says; correct?

11 MR. WALTZER:

12 I --

13 CHAIRMAN JONES:

14 Essentially. I mean I can read them into
15 the record. But, essentially, they say, we're
16 needing the money, and we're going to reject
17 these, but they also don't meet our criteria.

18 MR. WALTZER:

19 Yes.

20 CHAIRMAN JONES:

21 Okay. The City, however, is a little bit
22 more clever. The City says, we need the
23 money, and we're going to reject it. We also
24 have these criteria. And we, on some of these
25 contracts, we passed the criteria before the

1 application was filed. Right?

2 MR. WALTZER:

3 Yeah.

4 CHAIRMAN JONES:

5 And, therefore, the criteria don't apply?

6 MR. WALTZER:

7 Right.

8 CHAIRMAN JONES:

9 But on two of those applications, four
10 out of the six, four, they said the
11 applications were filed before the criteria
12 were passed; but on two of them, they say, no,
13 the criteria -- the applications were filed
14 after the criteria was passed and we do apply
15 the criteria. Now, if that's the case -- and
16 as I read the ordinance, and this is what is
17 particularly strong to me. As I read the
18 ordinance -- and, again, I have -- I, like
19 you, probably are doing this on a volunteer
20 basis, but I sometimes get to wear my lawyer's
21 cap as well. But as I read the Shreveport
22 City Council ordinance, this is what it says.
23 And I'm going to quote from Section 3 of the
24 ordinance: If the request fails to satisfy
25 all of the above criteria, the City Council

1 resolution shall disfavor and reject the
2 application.

3 It had no -- it had no option but to deny
4 the criteria if the ordinance was passed after
5 the application; no option at all. It has to.

6 It has to follow its own ordinance. It can't
7 ignore it. So sticking in the dictum after
8 the fact that says, oh, by the way, we also
9 need the money, I don't think erases the fact
10 that the criteria, which is different from the
11 ITEP rules was the basis for the decision.

12 And, oh, by the way, when you go back and
13 read the Committee, if you read the Committee,
14 actually the subcommittee of the City Council
15 that judged everything, you know where they
16 spend the bulk of their time, not on the fact
17 that they don't -- the City don't have money;
18 they spend the bulk of their time judging the
19 criteria and judging, do they meet our
20 criteria; yes, no; yes, no. And then in their
21 conclusions, they don't meet the criteria.
22 Period. That's the subcommittee of the City
23 Council. So when the subcommittee goes to the
24 City Council, they're saying, City Council,
25 they don't meet the criteria.

1 So to come in and say that the basis for
2 the City's decision was that we need the
3 money, I think, is disingenuous; not perhaps
4 intentionally, but because they have an
5 ordinance with criteria that they applied and
6 they applied stringently, and they said, you
7 don't need it. I don't think they could have
8 done anything other than disapprove.

9 MR. WALTZER:

10 You have to -- you have to give your
11 local partner some ownership of its own
12 decisions. You can't change the decision for
13 them. They stated as an independent --

14 CHAIRMAN JONES:

15 If they --

16 MR. WALTZER:

17 Wait. Please.

18 CHAIRMAN JONES:

19 No, this is my room. This is my room.
20 This is not your room, Mr. Waltzer. I'll
21 allow you to respond, but I'm going to take
22 your contentions as they come up. We do have
23 the right to ignore them. Under the
24 constitution of the State of Louisiana, we do,
25 this Board and the Governor gets to decide

1 what's in the best interest of the State of
2 Louisiana. And, again, this is just Jones
3 talking, this isn't the rest of the Board, but
4 in my humble opinion, when we have a state
5 program that has state criteria, clear
6 criteria, and the municipality wants to impose
7 a more stringent criteria than what this Board
8 has approved they are basically saying,
9 listen, we want -- that state program that you
10 have over there, we want to do it our way, and
11 they're basically going to supplant the
12 State's authority with their own. And.

13 This is -- and this is what happens,
14 Mr. Waltzer, is that if the City of New
15 Orleans and the School Board of New Orleans
16 gets its way, the contract never even makes it
17 to the Governor's office. It doesn't even get
18 there. He can't decide what's in the best
19 interest of the State because they basically
20 usurped his power and this Board's power by
21 imposing rules that are more stringent than
22 this Board imposed. Now, I'm going to tell
23 you, if that's in the best interest of the
24 State of Louisiana, I need to quit this Board
25 and I need to go do something else with my

1 volunteer time because -- yeah, I know that's
2 what you wish I'd do, but I'm not doing it
3 today.

4 MR. WALTZER:

5 That's not what I wish you would do.

6 CHAIRMAN JONES:

7 I'm picking at you now. But that's the
8 problem. And, you know, when this Board
9 passed the resolution to allow the appeal, if
10 that didn't tell New Orleans that there was a
11 problem with their process, they weren't
12 listening, because the resolution was passed
13 by this Board and expressed, expressed
14 response to the ordinance that East Baton
15 Rouge and the City of New Orleans was passing
16 and the School Board were passing. So to say
17 that somehow this Board and the State of
18 Louisiana and LED have not communicated to New
19 Orleans, they're not -- I know they call it
20 the free state of New Orleans, but they know
21 what's going on up here in Baton Rouge as
22 well. They know that.

23 So they knew that they were -- they're
24 coloring -- and, today, they know they're
25 coloring outside the lines, but they're still

1 choosing to do so. And that's their
2 prerogative, but they do not get to usurp the
3 prerogative of this Board and the Governor to
4 make a decision to what's in the best interest
5 of the State of Louisiana as far as these ITEP
6 contracts are concerned. I'm going to give
7 you one last comment, and then we're going to
8 move on.

9 MR. WALTZER:

10 So I don't believe that they have
11 usurped. I believe that this Board has
12 constitutional discretion like the Public
13 Service Commission, like other bodies, it
14 exercised that discretion and created a local
15 option, I guess I'll call it, right, and it
16 directed the guidelines. And that's -- and
17 New Orleans and every one of the local
18 governmental entities have told you that the
19 basis, that they have an independent basis
20 that regardless of the guidelines, they can't
21 afford it, right. So if they can't afford it,
22 it would be an adequate reason under this
23 Board's judgment, right. Then there's no
24 causation. There's no -- then I think it
25 would be improper to grant these.

1 CHAIRMAN JONES:

2 Let me tell you what would be
3 inappropriate. The State of Louisiana goes
4 after a company and they compete with other
5 every other state in the country that wanted
6 that company to come to them and they bend
7 over backwards to make sure that company comes
8 here and that company comes and they perform,
9 they perform well. They pay their taxes.
10 They employ people. They become one of the
11 top five taxpayers in the City and the State
12 of Louisiana does that, and then we refuse the
13 program that is available to that company and
14 we send that message to every other company
15 that we might try to recruit to this state and
16 say, listen, we have this program but, oh, by
17 the way, we allow our municipalities to really
18 run it. That would be a problem. That would
19 be a real problem.

20 I know that New Orleans is having
21 difficulty with their taxes as is every other
22 governmental entity in this State. If that
23 becomes the basis on which we make decisions,
24 we never, we never compete for companies to
25 come here. I know that some people believe

1 that we ought to get rid of incentive
2 programs, let companies live or die. That may
3 be what you want to do, but then you better
4 learn to be a farmer because there won't be
5 many other jobs available to you. The fact is
6 this State has made the determination
7 somewhere along the line that we are going to
8 be a manufacturing state and that it's so
9 important, we're going to give manufacturers
10 the most valuable incentive this State has to
11 offer. We made that decision as a matter of
12 policy that's enshrined in our constitution.
13 And if we somehow then say that
14 municipalities, you get to decide by your own
15 set of rules and your own set of guidelines
16 whether you like this company, like going to
17 my Lafayette example, saying we just don't
18 want you unless you're a fossil fuel company.

19 If we're going to allow municipalities
20 that sort of discretion, then we might as well
21 turn the whole program into a local program
22 and just do away with LED, do away with the
23 Board of Commerce and Industry. And we'll
24 just allow local municipalities to do their
25 own economic development and let them compete

1 with Texas and Mississippi and Alabama on
2 their own.

3 MR. WALTZER:

4 So --

5 CHAIRMAN JONES:

6 I think that's a bad idea.

7 MR. WALTZER:

8 So financial reasons are not a good
9 reason?

10 CHAIRMAN JONES:

11 Financial is a good decision if you don't
12 have criteria. If you have adopted criteria
13 that are different from this Board's criteria,
14 no, the financial reason is no longer the
15 reason.

16 MR. WALTZER:

17 There's --

18 CHAIRMAN JONES:

19 Mr. Waltzer, the ordinance says you shall
20 deny the request if you don't meet the
21 criteria. They didn't have a choice. It
22 wasn't an option.

23 MR. WALTZER:

24 They were going to do it anyway as an
25 independent basis --

1 CHAIRMAN JONES:

2 That's --

3 MR. WALTZER:

4 I'm -- you know, you're not going to
5 convince me --

6 CHAIRMAN JONES:

7 The message that I think I want to go out
8 is that municipalities in Louisiana or School
9 Boards or Sheriffs or Parish bodies, if you
10 want to develop your own set of criteria --
11 listen, we had a situation here not too long
12 ago where one of our Parishes wanted to
13 negotiate their own pilot with one of the
14 companies. And we said, no, you can't do
15 that. It's 80/20. You're not going to be
16 able to negotiate your own pilot under the
17 ITEP program. You either deny the application
18 or you take 80/20. We've been 100 percent
19 consistent with this.

20 And the message that we need to send to
21 the local governing entities of every -- and,
22 listen, I've been a local governing advocate
23 all of my adult career. I was a city attorney
24 for eight years. I know what local government
25 needs as well as you do, but this program is

1 not a local government program.

2 MR. WALTZER:

3 I don't know how you can tell a local
4 government, you shall make efforts to develop
5 reasonable guidelines, and then come -- and
6 then come and say, and the only reasonable
7 guidelines are the ones that we already have
8 in place. That makes no sense.

9 CHAIRMAN JONES:

10 You could have all sorts of things that
11 -- the QJ requirement, we have a job
12 requirement, and we have job requirement in
13 ITEP that is defined and New Orleans said, no,
14 no, no, we don't want that job requirement; we
15 want the job requirement that's on steroids.
16 We already have a program. It's called
17 Quality Jobs. They wanted to incorporate the
18 Quality Jobs program into ITEP. If you think
19 that's reasonable, that's unworkable, unless
20 all you want -- all you want is -- I mean
21 manufacturing jobs for this program is very
22 clearly defined and New Orleans went way
23 beyond. In the application process,
24 Mr. Leonard, I happen to agree with him,
25 Mr. Leonard's position on the application

1 process, that's not workable. It -- it --
2 local government has its role in this process.

3 The Governor and this Board has seen fit
4 to do that. That's fine. But when they start
5 to try to say, but we're going to be a little
6 bit smarter than LED about this and we're
7 going to make this program a little tighter,
8 we're going to make it a bit tougher. That's
9 where they color outside of the lines. That's
10 the problem. And that's the problem with
11 these criteria in this situation, but that's
12 just Jones. All right.

13 All right. Mr. Waltzer, I think you and
14 I are done. How about Ms. Hansen or --
15 Ms. Hansen, I'm going to ask you to limit your
16 comments to those points not already made by
17 Mr. Waltzer, so we don't...

18 MS. HANSEN:

19 Understood. Thank you. My name is Erin
20 Hansen. I'm a resident of Orleans Parish, and
21 we're representing Together Louisiana. Thank
22 you for the opportunity to speak and
23 apologizes for the late delivery of the
24 packet.

25 I want to just draw your attention to a

1 few items that have not yet been lifted up
2 from the packet, specifically on Page 11. In
3 answer to your question, Mr. Holley, about the
4 total tax benefit associated with the
5 Cooperative Endeavor Agreement in 2010, the
6 tax benefit was for \$17.8 million and that
7 covered five Industrial Tax Exemption program
8 applications that Mr. Waltzer delineated. In
9 fact, between 2010 and 2016, this Board
10 approved 21 applications and that covered
11 \$22.3 million worth of Industrial Tax
12 Exemptions for Folger Coffee Company. So just
13 to underscore Secretary Pierson's point, the
14 State fulfilled and, in fact, exceeded its
15 obligations to the company according to the
16 2010 Cooperative Endeavor Agreement.

17 And, finally, just want to speak to the
18 resolutions passed by this Board in 2020, the
19 February 2020 resolution that states that LED
20 on behalf of the Board will continue to work
21 with local interests to establish guidelines
22 consistent with the process and qualifications
23 for the exemption established by this Board.
24 And to lift up that it seems that the argument
25 is being made that this resolution on its own

1 was sufficient to notify Orleans Parish
2 governing bodies that their resolution was in
3 conflict with the guidelines established by
4 the Board to approve or deny exemptions. And
5 my belief is that it's not a sufficient
6 notification to Orleans Parish that the rules
7 are out of line or that they should be
8 adjusted. To my knowledge, Orleans Parish
9 governing authorities have not had the
10 opportunity -- have not received notice from
11 the State that their guidelines are out of
12 line or had the opportunity --

13 CHAIRMAN JONES:

14 And have you ever asked them that
15 question?

16 MS. HANSEN:

17 I have not.

18 CHAIRMAN JONES:

19 Okay. So you don't know whether they
20 received any information from LED or not about
21 their ordinances?

22 MS. HANSEN:

23 We have been in close communication with
24 the local governing authorities and --

25 CHAIRMAN JONES:

1 But did you ask the question?

2 MS. HANSEN:

3 I did not.

4 CHAIRMAN JONES:

5 Did anybody you know ask the question?

6 MS. HANSEN:

7 I don't know the answer to that.

8 CHAIRMAN JONES:

9 Okay. Ms. Hansen, the problem that I
10 have you're making allegations that it didn't
11 happen when you didn't even ask to see whether
12 it happened.

13 MS. HANSEN:

14 He did submit a public record request
15 related to all the communication around
16 Folgers from LED and there was nothing in the
17 record about that communication.

18 CHAIRMAN JONES:

19 Well, you recognize that there's
20 telephone calls, that there's public -- or
21 private meetings, there's all cups of coffee,
22 there's all sorts of ways to communicate that
23 are not subject to a public records special
24 request.

25 MS. HANSEN:

1 May I ask Secretary Pierson if --

2 CHAIRMAN JONES:

3 No, you may not. You may not. We'll
4 have information coming to you, but we do not
5 ask questions of the Board. Our job is to --
6 your entitled to make comments and to listen,
7 but you're not entitled to ask questions.

8 This is the issue that is important here,
9 is that the City of New Orleans was tasked
10 with, again, the word reasonable is important,
11 an important one, and I'm not going to go back
12 through that with you, but the reality is that
13 LED did try to communicate with New Orleans,
14 and New Orleans chose to ignore those
15 communications. And I'll have somebody tell
16 you all about that in a few minutes, but --
17 no, I'll just leave it at that for now. Okay.
18 Continue your points.

19 MS. HANSEN:

20 Just a last point that I would make is
21 that -- is that an appeal under the rules --
22 under the resolution that was passed in 2020
23 by this Board allowed the company the
24 opportunity to appeal a local decision and
25 that doesn't constitute the right to an

1 approval of an exemption request. So
2 notwithstanding any conflict between the local
3 rules and the rules of this Board, Folger is
4 not entitled by fact of that conflict alone to
5 an approval of its request. It's just
6 entitled to the appeal. And so what we're
7 considering today is whether that appeal,
8 given what we've learned about the investments
9 and whether they do or don't fall into the
10 Cooperative Endeavor Agreement and beyond are
11 legitimate.

12 CHAIRMAN JONES:

13 If you're saying that Folger has a right
14 to appeal, they don't have a right to win the
15 appeal, I agree with that if that's what your
16 statement. We still get to determine the
17 merits of the appeal.

18 MS. HANSEN:

19 That's right.

20 CHAIRMAN JONES:

21 All right. I agree with that a hundred
22 percent. Okay. Anything else?

23 MS. HANSEN:

24 (Shakes head.)

25 CHAIRMAN JONES:

1 I have a card from Ms. Mary Anne --

2 MS. MASHAFT:

3 Mashaft.

4 CHAIRMAN JONES:

5 Yes. Thank you. I'm not reading the
6 writing very well. Yes? Just pull the mic a
7 little bit closer to you.

8 MS. MASHAFT:

9 Sure.

10 CHAIRMAN JONES:

11 Thank you.

12 MS. MASHAFT:

13 My name is Mary Anne Mashaft. I am a
14 resident of Orleans Parish. I am a member of
15 Together New Orleans, Together Louisiana, but
16 I am here as a taxpayer and the mother of two
17 sons who are probably not going to be coming
18 back because the jobs that they are well
19 qualified for don't exist here. And one of
20 the reasons I believe that they don't exist
21 here is that you all give these tax exemptions
22 that impoverish our public schools, our
23 streets, our health clinics, and our Sheriff
24 and Police Departments. We are the last or
25 the bottom three in public health, public

1 education, and quality of life. And studies
2 have shown that is what brings quality
3 industries, and no offense to Folgers in that,
4 but I'm just livid.

5 I am livid at you all. Y'all are talking
6 about, what, the authority of the stabilism,
7 that to enhance the quality of life of its
8 citizens, and not its corporate citizens only,
9 but it's people. How can y'all look at
10 yourselves in the morning?

11 CHAIRMAN JONES:

12 All right. You have any more? Anything
13 else substantive to say other than --

14 MS. MASHAFT:

15 I think that was substantive. And I
16 think you all have lost sight of that.

17 CHAIRMAN JONES:

18 Other than the fact that you're livid.
19 It was substantive. I don't want to hear how
20 livid you are. I don't want to here whether I
21 should be able to look at myself in the mirror
22 or not. Up to that point, you did fine. If
23 you want to continue with your substantive
24 comments, you may do so.

25 MS. MASHAFT:

1 Thank you. I shall. The Legislative
2 Body has decried the possibility of increasing
3 teacher pay. If our corporate citizens paid
4 their taxes, the money would be available to
5 enhance our education that will create the
6 workforce of the present and the future;
7 right?

8 CHAIRMAN JONES:

9 Actually, no, I'm not going to let that
10 go.

11 MS. MASHAFT:

12 Okay.

13 CHAIRMAN JONES:

14 Have you ever been to Morehouse Parish?
15 Do you know where Morehouse Parish is?

16 MS. MASHAFT:

17 No, but I --

18 CHAIRMAN JONES:

19 Okay. It's in the northeast part of the
20 State.

21 MS. MASHAFT:

22 I have been to the northeast part of the
23 State.

24 CHAIRMAN JONES:

25 Okay. You have not been to Morehouse

1 Parish because not many people have been to
2 Morehouse Parish.

3 MS. MASHAFT:

4 Is Monroe --

5 CHAIRMAN JONES:

6 No, it's not Monroe.

7 MS. MASHAFT:

8 Oh, okay.

9 CHAIRMAN JONES:

10 That's Ouachita Parish. This is -- if
11 you don't have corporations to pay their
12 taxes, you don't have good schools. You know,
13 we had a project before us. And when we were
14 doing, you know, the work that you find so
15 disdainful, when we had a project before us in
16 Morehouse Parish, that was a solar farm --

17 MS. MASHAFT:

18 Uh-huh.

19 CHAIRMAN JONES:

20 A solar farm creates one job. And we're
21 supposed to figure out, okay, are we going to
22 grant that or not. And it was real
23 interesting to me because there was, you know,
24 there's a problem here. You know, we want
25 renewables, but yet it only creates one job.

1 Is solar really manufacturing electricity, all
2 that debate. But you know what Morehouse
3 Parish was really interesting in?

4 MS. MASHAFT:

5 No.

6 CHAIRMAN JONES:

7 The very fact that agricultural land that
8 was formerly fallowed agricultural land by
9 being converted from an agricultural tax basis
10 to an industrial tax basis increased their tax
11 revenues by almost 40 percent. And they
12 wanted this program. They wanted that thing
13 to be approved because they are such a poor
14 Parish they don't have any corporations to pay
15 taxes, because they haven't been able to
16 attract any corporations to Morehouse. So
17 they wanted a solar farm just so it would
18 increase the tax base.

19 So when you decry corporations not paying
20 their taxes, you've got to first have
21 corporations in those parishes in order to pay
22 taxes. And believe it or not, corporations
23 get to choose where they're going to locate.
24 They get to choose whether it's going to be
25 Louisiana, Texas, Mississippi, Oklahoma, or

1 anywhere else they want to go. And as a
2 result, this Department works its tail off
3 trying to recruit those businesses. But in
4 order to get them here, they have to make this
5 place more attractive than other places. Yes,
6 they like quality of life. Do they want to go
7 where there's crime? No, they really don't.

8 So you need to clean up your crime in New
9 Orleans too, by the way, so let's talk about
10 that if you want to. But to come in here and
11 say this program is somehow doing something to
12 keep New Orleans from reaching its goals, this
13 program is what putting corporations in
14 Orleans Parish so that you may reach your
15 goals. Instead of fighting corporations, you
16 need to be working to attract corporations.

17 MS. MASHAFT:

18 I'm not fighting corporations. I just
19 want them --

20 CHAIRMAN JONES:

21 To pay their taxes. I get that.

22 MS. MASHAFT:

23 Yes.

24 CHAIRMAN JONES:

25 But we have programs that say, if you'll

1 come to Louisiana, you don't have to pay them
2 all the time. You have to pay them for a
3 period. You get an abatement while you're
4 getting the company going. And then when you
5 get this equipment, you don't have to pay it.

6 MS. MASHAFT:

7 Okay.

8 CHAIRMAN JONES:

9 But Folgers has become, has moved from
10 being out of the top ten and become one of the
11 top four taxpayers in all of New Orleans. And
12 you come here and you want to criticize this
13 program or Folgers, which has done exactly
14 what you have asked them to do. They've
15 created more jobs than they've promised.
16 They've created higher payroll than they
17 promised. Your children don't have to leave
18 Louisiana; they can go to work for Folgers.

19 What? You don't want them to work for
20 Folgers?

21 MS. MASHAFT:

22 My son works for General Motors in
23 Detroit.

24 CHAIRMAN JONES:

25 Ah.

1 MS. MASHAFT:

2 Doing these -- embedding computer systems
3 in cars.

4 CHAIRMAN JONES:

5 So he could have went to work for General
6 Motors in Shreveport when General Motors was
7 there until it was shut down because, well,
8 2008 elections, but nevertheless. Ma'am, I
9 don't want to argue with you, but I am not
10 going to allow people to sit at that table and
11 make allegations against this program and this
12 Board of volunteers who are working their tail
13 off to try to bring companies to this State
14 and decry us for doing what we believe is in
15 the best interest of the State of Louisiana.

16 MS. MASHAFT:

17 And isn't it my right to just come here
18 and say I disagree?

19 CHAIRMAN JONES:

20 You can, but you're not going to say the
21 things you're saying to this Board. You're
22 not going to say that we should not be able to
23 look ourselves in the mirror.

24 MS. MASHAFT:

25 All right. I apologize.

1 CHAIRMAN JONES:

2 Thank you.

3 MS. MASHAFT:

4 I apologize for that. I was just -- I was
5 very upset on what you were saying.

6 CHAIRMAN JONES:

7 Okay. Do you have anything else to add?

8 MS. MASHAFT:

9 I'm just asking you as a taxpayer myself
10 to reconsider, because as a taxpayer, I just
11 feel like I'm left out of this equation. I
12 do. I don't get a tax exemption abatement for
13 a percent of my taxes.

14 CHAIRMAN JONES:

15 Actually, you get a homestead exemption
16 if you own a home, \$75,000.

17 MS. MASHAFT:

18 Yeah.

19 CHAIRMAN JONES:

20 That's a pretty big deal in the State of
21 Louisiana.

22 MS. MASHAFT:

23 Yeah. Okay.

24 CHAIRMAN JONES:

25 Pretty big deal.

1 MS. MASHAFT:

2 All right. I just -- I just dis --

3 CHAIRMAN JONES:

4 Thank you. I appreciate you being here.

5 MR. NASSAR:

6 Mr. Jones?

7 CHAIRMAN JONES:

8 All right. Mr. Bagert? I'm sorry. Mr.
9 Nassar?

10 MR. NASSAR:

11 I knew when I walked in this morning,
12 this was going to be this type of meeting,
13 which is good that everybody has a right to
14 say what they have to say. I agree with what
15 you said. I can look myself in the mirror
16 every day. I might not like what I see with
17 age, but I can look myself in the mirror.

18 In St. James Parish where I'm from,
19 Industry pays between 70 and 80 percent of ad
20 valorem taxes. One of our local industries
21 shut down a couple of years ago, and we felt
22 it. We felt it bad. I've been on the School
23 Board for 28 years. I just retired at the end
24 of December 2022. We had to lay off 30 people
25 when that one company shut down. So let's

1 stop and think about not only the ad valorem
2 taxes that they do pay, of course, through the
3 program that the State offers, but what about
4 the sales and use tax?

5 Sales and use tax on a \$1 billion
6 construction or a \$1 billion facility, let's
7 just say a local entity collects two and a
8 half percent of the sales and use tax on that
9 \$1 billion facility how much money that is. I
10 just want everybody to stop and think about
11 it. Is this controversial? Of course it is.
12 Of course it is.

13 Has Folgers done as much and more than
14 what they said they would? Yes, they did. Do
15 I believe in local autonomy? As our Parish
16 President said earlier, I believe in local
17 autonomy. I really do, but we have to sit
18 down and look at everything when we make a
19 decision.

20 Now if the criteria was used to deny the
21 application, to deny the exemption, that's a
22 different story than just denying it straight
23 out because they wanted the 80/20 after the
24 2018 Executive Order. So I'm not going to sit
25 here and argue back and forth which should or

1 shouldn't happen, but I just want everybody to
2 realize the amount of money that is paid when
3 an industry locates in a Parish, in a
4 community the sales and use tax, not only on
5 what's the material that's being used to build
6 it, but the recurring sales and use tax after
7 this company goes into operation. That's all
8 I have. Thank you.

9 CHAIRMAN JONES:

10 Thank you, Mr. Nassar. We have a card
11 from Mr. Bagert, Mr. Broderick Bagert. State
12 your name and your position, please.

13 MR. BAGERT:

14 Still good morning for a few more
15 minutes. My name is Broderick Bagert with
16 Together New Orleans and Together Louisiana.
17 And we've been at this for a while. And I may
18 say early on when you don't always get what
19 you want, you can sometimes have a too narrow
20 and prejudicial view of the people with whom
21 you're working who don't get everything they
22 want.

23 Well, when the original forms were made,
24 the fact that they didn't reach back and
25 applied to all of the existing contracts, boy,

1 what a missed opportunity from our
2 perspective; the fact that they didn't apply
3 to the renewals, we thought that was the wrong
4 decision, didn't like it. Might have even
5 fallen into the tendency or temptation to say,
6 you know, those so and sos just wanted to give
7 away the farm; may have even on one instance
8 that I can think of from my case personally
9 attributed that to the members of the staff,
10 not just the Board. And then, you know, you
11 can through meetings and see how people are in
12 certain circumstances, different
13 circumstances.

14 And my takeaway from all that is what
15 people are working hard for this Department,
16 and they are trying to be fair, and they are
17 trying to be fair when they're balancing
18 interests, the interest of local entities, the
19 interest of companies, the interest of
20 taxpayers, and then in particular when it
21 comes to the staff, but all of you as well,
22 people are doing their best.

23 The way that the local officials of the
24 City of New Orleans have been described in
25 this meeting is not accurate or fair. And I

1 say that because I was there for most of the
2 meetings. They got a set of rules from you
3 that said, develop guidelines. It said,
4 within 60 days of the promulgation of these
5 rules, the local government entities for each
6 Parish shall make best efforts to develop
7 reasonable guidelines. And there was an
8 extensive process of deliberation about that
9 in which members of the School Board, members
10 of the Administration of the City of New
11 Orleans, members of the City Council were
12 balancing. We do not want to lose a single
13 company. We do not want to lose a single job.
14 We do not want to disincentivize anything. We
15 certainly don't want to run afoul of the Board
16 of Commerce and Industry, which has the
17 constitutional authority that it has in a
18 specific way sort of extended to include our
19 input.

20 And all of those local officials with
21 citizens taking part went through that process
22 and did their very best. And in subsequent to
23 that, a resolution was passed that said, if
24 you conflict, if your standards conflict with
25 the local guidelines, then there's this right

1 for an appeal to be heard. You said that that
2 was in direct response to the New Orleans
3 guidelines as though that was entirely clear.
4 I can tell you that was not clear at least to
5 us. And we did ask, right. I mean, did they
6 say you -- now I take for granted that there's
7 going to be people who say you inform them
8 that their guidelines were out of step. I
9 don't deny that.

10 When that resolution was passed, which
11 felt like, oh, that would have been good to
12 know beforehand, what does conflict mean?
13 Does conflict mean different from? If so, why
14 direct them to establish guidelines if they
15 are not meant to be different from? There's
16 no indication that being more stringent was a
17 problem until subsequently, right.

18 So then we go back and say, okay, now the
19 Board of Commerce and Industry has done this,
20 what do you want to do? And I think they're
21 in a fix. They've had hundreds of people
22 through dozens of meetings deliberate about
23 what our standards ought to be and came out
24 where they came out. And their decision was,
25 look, we've gone through this whole process.

1 At the time anyway, they had not got any clear
2 directive that these were conflicting with the
3 State Board of Commerce and Industry or that
4 they had thereby self-revoked their ability to
5 have that local discretion. If that
6 communication was sent, then I'm going to go
7 get real mad at our local officials for not
8 communicating that to us, right. I mean if
9 they were informed that their local authority
10 to say yeah or nay has been revoked because of
11 their standards, then you're right and they
12 certainly should have changed their actions.

13 That said, the idea that they were trying
14 to thumb their nose at you or do their own
15 thing, that's a story we've got about New
16 Orleans. Sometimes we call it a meme, it's
17 like, yeah, we know that about New Orleans,
18 just do -- that was not the spirit or intent
19 of any of the local officials or citizens who
20 took part in the process to try to figure out
21 what should our guidelines out to be. We were
22 trying to do what you directed us to do.
23 There are communications in these reams of
24 documents that we got of the City of New
25 Orleans communicating with your staff, and

1 saying, hey, these Folgers exemptions passed;
2 not in a tricky way, but saying we have
3 determined that four of these that came in
4 before our guidelines were established do not
5 apply to our local guidelines. Those will be
6 developed or decided on independent of all
7 that. And then that is reflected in their
8 resolutions. They made that determination
9 because it seemed right.

10 I think it was also -- and then they
11 included language on the other two to say,
12 look, with this resolution, we don't know
13 where things are, let us be clear that even
14 when one of the ones where the guidelines did
15 apply that it was not those that didn't. It
16 was that we needed that money. I understand
17 the place that puts you in, right, but this
18 was attempting to balance, in their case, the
19 participation and involvement of literally
20 hundreds of citizens and dozens and dozens of
21 hours of local officials to arrive at
22 something and then a subsequent decision to
23 kind of put that into question their attempt
24 to balance that. If Folgers had acted on
25 their exemption request in a timely way and

1 not had those applications delayed,
2 intentionally delayed, then they would not
3 have been the local -- they would have been
4 approved before the local guidelines and
5 before any right to appeal and we wouldn't be
6 here.

7 Instead, they asked for delays, received
8 delays, got consideration after local
9 guidelines had come into effect and a City
10 that says we want to be clear even in an
11 internal email to your staff, in a public
12 decision making process, those local
13 guidelines were not going to be the reason
14 they were decided. That, I would just say the
15 spirit with which you have characterized,
16 Mr. Jones, the actions and intent of our local
17 officials in our local community has not been
18 accurate, has not been fair. And the spirit
19 with which you have interrogated some of the
20 people that have spoke before you may be
21 fairly in some case because of what was said,
22 right, but even before that does not seem like
23 it captures the spirit of what we're trying
24 do here. We're trying to do what we
25 understand, and sometimes it's moving around,

1 to be the intent of this Board. And this
2 Board said develop local guidelines, we did.
3 Then it said, if there's a problem, then
4 there's a right to appeal. And then we said,
5 fine, these -- there was -- the guidelines did
6 not apply. It was before that. And yet, the
7 characterization has been, look, there goes
8 New Orleans again questioning our authority,
9 doing its own thing, trying to dance to the
10 beat of its own drum.

11 I don't know if that's the case for the
12 City at Large. It's not the case through this
13 process. It's not been their intent. It's
14 not been our intent. We've been trying to do
15 in the spirit of public citizenship what
16 you've asked us to do. Thank you.

17 CHAIRMAN JONES:

18 Mr. Bagert, before you go, I'm not going
19 to argue with you. I don't believe anybody
20 was trying to be nefarious. I don't believe
21 that at all. If I've implied that, that's not
22 my intent. I apologize for it if that's the
23 perception that I convey because that was not
24 my intent. What I'm trying to convey is that
25 this program is not a municipal program. It's

1 not a local government program and that the
2 rules in this situation made it more than what
3 this -- I think that's my problem is that they
4 went too far.

5 If they -- for example, I know that when
6 we were developing the rules and we're talking
7 about the -- I remember I was sitting right
8 over there in one of our meetings, and I was
9 saying that what needs to happen at the local
10 level is this, and I used St. James Parish as
11 an example because that pre Executive Order
12 when you went to the St. James Parish, if you
13 were an industry trying do a project, you went
14 to St. James Parish, the Parish Council
15 wouldn't meet with you without the School
16 Board, the Sheriff, the Tax Assessor being
17 there. They set up their own process how they
18 were going to evaluate projects.

19 And so because they have had a bad
20 experience years ago, they made sure that
21 their local entities work in concert with
22 one -- so that it was all -- and that was the
23 concept is that you set up local guidelines so
24 that when a company comes to you, that all of
25 us -- frankly, what, again, just Jones when I

1 was sitting right over there and voted for
2 this that the language and the rule, what I
3 was hoping for was a streamline process so
4 that companies wouldn't have to go to 14,000
5 meetings trying to get something approved;
6 that there would be a very concise way of
7 dealing with things.

8 MR. BAGERT:

9 Right. You know where you stand.

10 CHAIRMAN JONES:

11 Exactly.

12 MR. BAGERT:

13 We don't have to keep fighting this
14 stuff. We don't have to spend all of our time
15 -- it's not great either on this side. That
16 is exactly the intent; clarity,
17 predictability.

18 CHAIRMAN JONES:

19 Right. So all I'm saying is, is that in
20 my world at least, they reached too far by
21 changing the requirements of the programs.
22 That's all I'm trying to communicate.

23 MR. BAGERT:

24 And I --

25 CHAIRMAN JONES:

1 And if I've indicated anything to the
2 contrary, I apologize.

3 MR. BAGERT:

4 So and I understand that perspective.
5 This is a Folgers pen, I just realized.

6 CHAIRMAN JONES:

7 You're welcomed to write with it.

8 MR. BAGERT:

9 You know, like one of our best volunteers
10 in a church in New Orleans East is a Folgers
11 employee. Our member institutions are filled
12 with Folgers employees. The idea that we want
13 or can even sustain an antagonistic
14 relationship with our business community is
15 another impression that I would say is
16 entirely false. It is much easier to sustain
17 healthy, good, positive relationships --

18 CHAIRMAN JONES:

19 Indeed.

20 MR. BAGERT:

21 -- when things are clear and they stop
22 shifting around, right. When a company makes
23 an investment the next year, it goes on the
24 tax rolls, unless they have an exemption. And
25 then suddenly, you have one that doesn't have

1 an exemption; they have an application for an
2 exemption, and it goes three years. Still,
3 and you're like, what's going on, because
4 that's one of the biggest ones there. If they
5 don't have an exemption, there's nothing in
6 the law that says the intent to apply for an
7 exemption grants you a de facto exemption that
8 you can act on informally. That starts to
9 fray because what do you say? If you say,
10 that's wrong, that's not according to the law,
11 they should -- then you're against the
12 company. I guess so, right. Are we? No,
13 we're not.

14 The breakdown of the enforcement of the
15 laws as they exist, when you start to have one
16 set of rules for one group and another set of
17 rules for somebody else, it creates the
18 impression of contestation and conflict when
19 it doesn't exist. And I'll just say this,
20 I've never heard you talk about a single
21 company the way you talked about local
22 officials today. I've never heard you talk to
23 a single company.

24 CHAIRMAN JONES:

25 You weren't here --

1 MR. BAGERT:

2 Even Erin -- I was here. I was here the
3 whole morning.

4 CHAIRMAN JONES:

5 No, no, no. You weren't here about six
6 months ago. There was somebody sitting right
7 in that chair that heard pretty strong
8 message.

9 MR. BAGERT:

10 Even Erin. Typically, there's an attempt
11 to be considerate and fair. And what I would
12 say, if the process and methodology that this
13 Board has used, which is to say we're not
14 going to change the rules and then hold one of
15 the bodies that's seeking a decision
16 accountable for rules that were not in place
17 at the time the decisions were made, if you
18 follow that same procedure, then y'all reach
19 the conclusion that those exemptions,
20 especially the ones that were before decision
21 rules were applied and the rule making process
22 at the local level at your discretion, at your
23 instruction, those should not prejudice local
24 entities. If you treated local entities and
25 local communities the way you treat companies,

1 we don't think you will grant these appeals.

2 We think you will say what we understand
3 you to say and the Governor to say, at the end
4 of the day, constitutionally, this is your
5 authority. Financially, this is local money.
6 And local decision makers know better. And if
7 they don't, they have the right to make their
8 own judgments about their local tax base.
9 That's what we understand to be the intent,
10 the spirit, the goal, the reforms. It will be
11 a departure from that practice and that goals,
12 if you grant this appeal, and we hope you
13 don't.

14 CHAIRMAN JONES:

15 Thank you for your opinion. That's all
16 the cards I have.

17 Ms. Porter, would you come up, please?

18 MS. PORTER:

19 Yes. Did you see me moving around in the
20 chair? I'm trying to get up here.

21 CHAIRMAN JONES:

22 State your name and position with the
23 Department, please.

24 MS. PORTER:

25 Robin Porter, Executive Counsel with LED.

1 CHAIRMAN JONES:

2 I understand there's been much debate as
3 to whether there was discussions between LED
4 and the municipalities and the School Board
5 concerning the rules that they, the criteria
6 that they developed. Would you educate us on
7 that a little bit?

8 MS. PORTER:

9 Yes. As of the end of 2019, staff met
10 with Councilwoman Moreno or Councilman Moreno,
11 and at that time, that visit was to talk to
12 and convince her -- her, to change the local
13 rule. We had been made aware that the rules
14 or the ordinances that were approved, they
15 were in conflict. So that's the first
16 instance.

17 The second probably more towards early
18 2020, staff met with the City of New Orleans
19 economic staff, that's a Tracey Jackson, Ellen
20 Lee, and Jeffrey Schwartz also then to explain
21 and talk about the fact that the local
22 guidelines, they were in conflict with the
23 ITEP rules. Even to such an extent where LED
24 was thinking about, okay, so what kind of
25 workaround possibly we may be able to do,

1 maybe have something that can be applied to
2 notify companies if they're thinking about
3 going into Orleans Parish to send them
4 directly to where the rules are so they could
5 take a look at that and have an understanding
6 about what they may come up against. So even
7 to that extent, they were trying to do some
8 type of workaround.

9 And the third instance, I believe was,
10 yes, GNO, Inc. again, whereas pointing out
11 where the rules were in conflict. So at no
12 time was or did LED not make the locals aware
13 at that time that the rules that they had
14 implemented and adopted were in conflict with
15 the local ITEP rules -- or the State ITEP
16 rules.

17 CHAIRMAN JONES:

18 Any questions for Ms. Porter?

19 MS. COLA:

20 I do.

21 CHAIRMAN JONES:

22 Yes, go ahead.

23 MS. COLA:

24 Hi, Yvette Cola. Did you get a response
25 from the locals when you informed them each

1 time of the conflict of the rules? What was
2 their response?

3 MS. PORTER:

4 Their response was the rules are the
5 rules. They were not receptive to the change,
6 which is the reason why we were thinking about
7 doing a workaround to make the companies aware
8 to go to where the rules were to take a look
9 to see what they may be coming up against and
10 the Parish. They were -- it wasn't -- they
11 weren't receptive to change.

12 MS. COLA:

13 Thank you.

14 CHAIRMAN JONES:

15 Any other comments or questions for
16 Ms. Porter?

17 MR. HOLLEY:

18 I have a question. State your position
19 one more time for me, please.

20 MS. PORTER:

21 Executive Counsel for LED.

22 MR. HOLLEY:

23 Okay. Are you familiar with the
24 continuing agreement that LED had with Folgers
25 10 years ago, 2010?

1 MS. PORTER:

2 The CEA? Yes.

3 MR. HOLLEY:

4 Yeah, the CEA.

5 MS. PORTER:

6 I'm familiar with it.

7 MR. HOLLEY:

8 It seems like today that Folgers has
9 taken the position that these last six
10 contracts is governed by that continuing
11 agreement. What is your opinion about that?

12 MS. PORTER:

13 I have a difference of opinion about
14 that. I think that the six contracts that
15 were in question today are outside the purview
16 or the scope of the 2010 CEA. I also think
17 that in Section 4.02B does not mean or
18 obligate LED to ensure approval of the
19 company's ITEP applications in perpetuity. So
20 that's my opinion on that.

21 MR. HOLLEY:

22 And these contracts were under the
23 Executive Order; they were made when the
24 Executive Order was in effect?

25 MS. PORTER:

1 The six, yes.

2 MR. HOLLEY:

3 And, therefore, it's your opinion that
4 the 20 percent would be owed to the governing
5 authorities in Orleans Parish?

6 MS. PORTER:

7 Correct.

8 MR. HOLLEY:

9 Thank you.

10 CHAIRMAN JONES:

11 Thank you, Mr. Holley.

12 Anything else for Ms. Porter?

13 Thank you, Ms. Porter.

14 All right. It's time to entertain a
15 motion. I -- I -- okay. Mr. Slone?

16 MR. SLONE:

17 Yeah, I'd like to entertain a motion that
18 we approve this. I know it's been very
19 contentious and there's a lot of conversation
20 going around. But if I go right back to what
21 this Board's authority is, I would utilize
22 that as the basis for a motion to approve.

23 CHAIRMAN JONES:

24 We have a motion from Mr. Slone. A
25 second from Mr. Bishop to -- I'm trying to

1 understand what the motion is. Is it to --

2 MR. SLONE:

3 A motion to approve --

4 CHAIRMAN JONES:

5 To approve all six contracts?

6 MR. SLONE:

7 -- all six contracts.

8 CHAIRMAN JONES:

9 Okay. Absolutely. We're going to have
10 plenty of opportunity for comment and
11 questions, all right, so we're not going to
12 run to vote. All right. First, who wants to
13 -- whose up first? Mayor Toups?

14 MAYOR TOUPS:

15 I'll go. As a representative of local
16 government, and I'm as close to the local
17 government as you can get, the boots on the
18 road, I mean that's where we are, and a lot of
19 my municipalities, my, our municipalities
20 don't have a say in any of these matters, but
21 the Governor's Executive Order did give us the
22 opportunity to have a say on and it. And it's
23 my relationship with my parish government,
24 school board, and the Sheriff that I express
25 my opinion. I'm very ITEP friendly. I'm very

1 friendly of this company as well. But as a
2 representative of local government, I have a
3 couple of questions that I need answered.

4 So these contracts, are they part of --
5 when they came and came and got approved, they
6 were sent to local government because it fell
7 under the new rules that the local governments
8 had a voice in. Regardless of what their
9 criteria is, did they have a say in if these
10 contracts would, if they would accept them or
11 not is my question?

12 MS. CHENG:

13 Yes, they were approved in the November
14 2020 meeting by this Board and then it was
15 sent to the locals for their consideration.

16 MAYOR TOUPS:

17 And it was under the rules --

18 MS. CHENG:

19 Yeah, the 2018 rules.

20 MAYOR TOUPS:

21 And was the local government's approval
22 within a timely manner?

23 MS. CHENG:

24 Yes, they returned their notice back,
25 which gave them 60 days to take action.

1 MAYOR TOUPS:

2 Okay. Thank you. That was my questions
3 as a representative of local government.

4 CHAIRMAN JONES:

5 Thank you, Mayor.

6 MR. HOLLEY:

7 It may not be the right time to ask the
8 question, but I wanted to ask it since the
9 executive legal counsel has expressed her
10 opinion as to whether or not that issue is on
11 appeal today. I mean, obviously, they've
12 expressed their opinion that it's subject to
13 the 2010 contract, and although the
14 applications were made after the Executive
15 Order. So my question is, is it, Number 1,
16 under the -- is it subject to the appeal or is
17 that a moot issue that it is subject to the
18 Order?

19 CHAIRMAN JONES:

20 All I can do is give you an opinion. The
21 way I read their appeal, I think they're much
22 like many lawyers, they present a case to the
23 judge and try to give him as many pegs as
24 possible to hang his hat on it, and I tend to
25 agree with Ms. Porter. I think that the

1 support that is required under the Cooperative
2 Endeavor Agreement, I'm not sure it extends to
3 every contract moving forward, but I don't
4 think that's necessarily dispositive of the
5 overall issue. I think that was one of the
6 pegs that they put their hat on, but I just, I
7 don't agree that that support goes to saying
8 we have to rubber stamp everything that comes
9 across. This Board still has authority to up
10 or down everything that comes to us according
11 to what we think is being in the best interest
12 of the State of the Louisiana.

13 MR. HOLLEY:

14 Thank you.

15 CHAIRMAN JONES:

16 Any other questions or comments?

17 Anything at all? Any comments?

18 Any comments, any further comments from
19 the public? There is a -- yes, sir?

20 MR. ZERVIGON:

21 Thank you, Chairman Jones, for a second
22 chance to have a stab at it.

23 CHAIRMAN JONES:

24 Yes.

25 MR. ZERVIGON:

1 I am Chair of Legal and Legislative
2 Committee on the Orleans Parish School Board.
3 I've been there two years. In that entirety,
4 we have been going through this process with
5 Folgers, it has never been brought to my
6 attention that there was ever an alert that
7 the criteria was not -- did not reconcile with
8 what you all have. I just heard that the City
9 heard; we never heard. As we move forward --
10 and I know you all are about to vote on it and
11 do what you're going to do. But as we move
12 forward, it will be really important for all
13 of us to determine what local control means.

14 When the Governor gives this Executive
15 Order like this, what do we or do we not have
16 a say in, it starts to feel like then it all
17 must be the same as what this group would do
18 as you all have the ultimate authority. Then
19 is the local Board then just a check on what
20 you all would do in case you all go awry? And
21 then it starts getting confusing in terms of
22 what are the standards, what is the process,
23 what are we -- so we just would need to have
24 better communication, I believe, in terms of
25 how we move forward if we're going to have

1 this addendum to the ITEP that there's a local
2 say. Because at this point, I'm becoming
3 confused as to what exactly is the local role,
4 if it's not just to mirror what y'all are
5 doing. I see you saying that maybe they went
6 too far. I wish that had been communicated to
7 us. I feel like a bit of we baked a cake,
8 then told we don't like cake.

9 I would just like much better
10 communication from the Board. I will be there
11 at least another two years at the Orleans
12 Parish School Board. There's hundreds of
13 school board members in the State, and we all
14 try to do our best. Like you pointed out,
15 we're all volunteers trying to do our best in
16 government the right way. And I'd say in
17 Louisiana, we have a really good track record
18 of doing government well contrary to our
19 reputation. And that is what we absolutely
20 seek to do. And this is just beginning to
21 kind of get confusing and frustrating in terms
22 of what's expected. I will ask for
23 clarification in moving forward.

24 CHAIRMAN JONES:

25 Well, and I think your point is well

1 taken. And I think that, I think one message
2 that can be inferred, assuming this motion
3 passes, one message that can be conferred is
4 that from the Board of Commerce Industry's
5 perspective, you can -- any municipality, any
6 School Board, any local government can have
7 guidelines, but they cannot be more stringent
8 than what's under the ITEP rules, you know.
9 That's -- that is the point. There are a lot
10 of things that local government can do to be
11 part of this process.

12 I mean the example I gave earlier, just
13 provide a place for government to come --
14 excuse me, for a company to come and say,
15 okay, tell me what your expectations are
16 within the community, tell me what -- you
17 know, what can we do to be better, to be part
18 of your -- because this is the power. This is
19 the power you have, and this is the thing that
20 I want to be sure that you understand, you
21 have the power to say, we don't want you.
22 We're not willing to give up any tax revenue
23 to get you here. You have the power to say
24 no, which therefore gives you the power to
25 discuss and to say, this is the corporate

1 citizen we want you to be. These are the kind
2 of things we want you to be engaged in.

3 Now, you can't change the ITEP rules, but
4 you can change the kind of behavior that they
5 may participate in while they're in your
6 community. So --

7 MR. ZERVIGON:

8 Yeah, well -- go ahead. I'm sorry.

9 CHAIRMAN JONES:

10 So those are, I think, again, I'm just
11 one member, one vote, but those are things
12 that I think local government can do. And I
13 think this is one of the things, frankly, good
14 things that's come out of the Executive Order
15 process is that there is now more
16 communication going on between industry and
17 local government than there has been in times
18 past, and I think that's a good result. I
19 know that and I've heard several local
20 government people, that's what they said to me
21 is we're having better communications than
22 we've ever had. If nothing else, that's a
23 good thing. But I think the lynch pen in this
24 particular situation is the criteria that was
25 greater than the ITEP rules.

1 MR. ZERVIGON:

2 And then I would look forward to better
3 communication in terms of what does greater
4 mean, what does more stringent mean, what does
5 maybe getting outside of our lane mean. We
6 have, of course, across the State many
7 industries that are there that are then
8 making, say, additions, improvements. So then
9 it doesn't come into question about whether or
10 not we want you there or not, but what about
11 these new applications we're talking about
12 being there about now that you are there,
13 which is maybe a different question. And so,
14 again, I would look forward to greater
15 conversation, communication about how this is
16 going to work.

17 CHAIRMAN JONES:

18 Absolutely. Again, we've only had two
19 local governments where we've had this issue.

20 MR. ZERVIGON:

21 Well, then let's, again, we need to have
22 that --

23 CHAIRMAN JONES:

24 That --

25 MR. ZERVIGON:

1 Again then, but still that points out, I
2 would say still --

3 CHAIRMAN JONES:

4 I don't disagree. I don't disagree with
5 you at all. Thank you very much.

6 MR. ZERVIGON:

7 Thank you.

8 CHAIRMAN JONES:

9 And I appreciate you being here today.

10 All right. Yes, ma'am?

11 MS. WREN:

12 My name is Linda Wren, and I'm coming in
13 as a citizen involved in Together New Orleans,
14 Together Louisiana. I'm trying to understand
15 this complex process as I don't have any
16 background in the law or City government. One
17 thing that struck me was that the City Council
18 was notified that they went above and beyond
19 the guidelines, and I didn't hear, and maybe
20 it did happen, that the School Board and the
21 Sheriff's Office also got that communication.

22 The School Board being more maybe not
23 quite as politically connected, I wonder if
24 they might have known it if they would have
25 gone to the City Council and said, hey, y'all

1 are screwing this up for us and we need to do
2 something about this. So if just the City
3 Council got that notice, that's concerning
4 when there's other bodies that are involved
5 like the School Board and the Sheriff's
6 office.

7 CHAIRMAN JONES:

8 And I think it's a fair question. But I
9 know that if you go to the City Council web
10 page and you go to the Mayor's Office, and you
11 go to economic development and you look under
12 ITEP process, there are a number of steps that
13 a company has to go through to under the
14 Mayor's own description.

15 MS. WREN:

16 Uh-huh.

17 CHAIRMAN JONES:

18 And it becomes very clear as you read
19 those steps that the School Board and the City
20 Council and the Sheriff, all three are working
21 on that project together. So I don't -- I
22 can't tell you for sure whether that was
23 communicated to the School Board or not.

24 MS. WREN:

25 Yeah.

1 CHAIRMAN JONES:

2 But if they're working carefully and
3 closely on all the applications, it stands to
4 reason that at some point, it might have been
5 a, gee, did you know kind of thing. So but I
6 don't know.

7 MS. WREN:

8 Yeah.

9 CHAIRMAN JONES:

10 But it would be -- when looking at that
11 website and you see how the steps work, it's
12 clear that the three organizations are working
13 together, so.

14 MS. WREN:

15 In theory.

16 CHAIRMAN JONES:

17 Well, yes.

18 MS. WREN:

19 Yes.

20 CHAIRMAN JONES:

21 I don't know, but what the process is,
22 whether it works out, I don't know.

23 MS. WREN:

24 And, again, this will show my ignorance,
25 but if this entity in New Orleans overstepped

1 and they made guidelines that were more
2 stringent and they were notified, is there not
3 an opportunity for this group here to say,
4 yes, those guidelines were too strict, but we
5 think that Folgers needs to pay what our
6 guidelines are or is that no ability to do
7 that; you have to just grant their appeal or
8 they --

9 CHAIRMAN JONES:

10 That's a fair question.

11 MS. WREN:

12 -- pay nothing.

13 CHAIRMAN JONES:

14 That's a fair question, but the
15 guidelines that New Orleans adopted and the
16 School Board adopted went to Folgers'
17 qualification to get the exemption. It was an
18 all or nothing kind of thing. It didn't say
19 you get more of an exemption if you do this,
20 less of an exemption if you do that. So I
21 think that that was -- that's the problem,
22 it's -- so that's where we are.

23 MS. WREN:

24 Okay. It's disappointing.

25 CHAIRMAN JONES:

1 I understand. Anything else?

2 MS. WREN:

3 Thank you.

4 CHAIRMAN JONES:

5 Thank you very much.

6 MS. WREN:

7 Thank you for your time.

8 CHAIRMAN JONES:

9 Very quickly, Mr. Bagert.

10 MR. BAGERT:

11 Very quickly.

12 CHAIRMAN JONES:

13 Very quickly. We have been here a long
14 time.

15 MR. BAGERT:

16 I've not heard the Board speak to the
17 fact that the City expressly both in internal
18 communications with the staff and formally in
19 the resolution established that its guidelines
20 were not used and did not apply to four of the
21 six exemptions, which for which an advanced
22 notice had been submitted before the
23 development of those guidelines. It said it
24 had nothing to do with it. It said
25 internally, it said it informally, and it said

1 it using the same criteria that this Board
2 used in the initial rules and Executive Order
3 or the fact that the Sheriff, which has no
4 guidelines period. We've talked to Marlin
5 Gusman, we've talked to the new Sheriff, just
6 did not have guidelines, rejected them.

7 They're all -- are they being treated as
8 though the guidelines did apply, when in those
9 cases, they clearly appear not to have
10 applied? So I haven't heard you speak to
11 that, and I think that that does deserve some
12 consideration.

13 CHAIRMAN JONES:

14 Thank you. Mr. Slone made the motion.
15 The motion was to approve the School Board,
16 the City Council, and the Sheriff, or was it
17 one or two or was it some or all? Help
18 explain your motion.

19 MR. SLONE:

20 My motion was to approve the Folger's
21 Coffee Company contracts that have been listed
22 based upon all three criteria -- the three
23 approving authorities, and because they are in
24 -- they ban together to create what was here.
25 That's -- whether they abstained or not, it

1 came out as local government. So that's why
2 my motion is to approve all six.

3 CHAIRMAN JONES:

4 Mr. Bishop, you made the second. Do you
5 concur?

6 REPRESENTATIVE BISHOP:

7 (Nods head.)

8 CHAIRMAN JONES:

9 Okay. Yes, sir. That's a yes.

10 Any other questions or comments from the
11 public or comments from the public?

12 Real quick, Mr. Waltzer?

13 MR. WALTZER:

14 Yes, I think it's inappropriate to --

15 CHAIRMAN JONES:

16 Sorry. Get in front of the mic, I'm
17 sorry, for the court reporter.

18 MR. WALTZER:

19 No, I'm just going to -- I think it would
20 be inappropriate to -- I believe -- I believe
21 that -- I believe that the rule would require
22 that there be some evidence that a decision
23 was based on the guidelines, and I believe
24 that those that are expressly not based on the
25 guidelines should be excluded from the motion

1 as it's currently drafted, because I think
2 there needs to be some showing of an abuse by
3 of discretion. And, you know, when the City
4 or the Sheriff is saying nothing at all,
5 except no, which as you said, has the right to
6 say no, simply say no, it would be unfair to
7 attribute the omissions of the New Orleans
8 City Council, for instance, on that body. And
9 for the four applications that were expressly
10 done outside of the guidelines, it again,
11 would be unfair to apply what is, again,
12 turned out to a punishment, you know, because
13 they are just saying no, that that's what they
14 did for those four.

15 CHAIRMAN JONES:

16 Okay.

17 MR. WALTZER:

18 I would urge that those be carved out,
19 the Sheriff and the ones submitted in 2017
20 under the 2017 and 2018 ITEP numbers.

21 CHAIRMAN JONES:

22 All right. Mr. Pierson?

23 SECRETARY PIERSON:

24 In a few moments, I suspect we'll be
25 making an important vote on the issue before

1 us and I just want to be clear when we do,
2 looking past the word Folgers at this moment
3 and looking at a precedent that the Board is
4 going to challenge the voice of the local
5 community. Currently, we just ask for a yes
6 or no, and we use that as a standard against
7 how we proceed. You have local support or you
8 don't. In this case, we see very clearly that
9 the local support is not there.

10 Another question that was raised were,
11 are these standards that have been put in
12 place reasonable or unreasonable? They are
13 not the standards that we recommend. In fact,
14 we were in the room as advisory and said, this
15 is not the way you're going to build a lot of
16 industry in your future. Now, were they
17 unreasonable standards put in? Basically,
18 four elements of that \$18 an hour wage related
19 to the Quality Jobs program. For a
20 manufacturing operation, and these are only
21 applicable to manufacturing operations, that
22 would not appear to be an onerous wage. There
23 were new job requirements that were waged by
24 the scale of the proposal. But in some cases,
25 retention and modernization activities are

1 going to cause you to make a good decision and
2 move forward with a project that does not
3 create new jobs but holds the jobs you have in
4 place. So there is a jobs requirement and
5 that's more onerous than what we might
6 recommend.

7 They require that this be in an
8 Enterprise Zone or an Opportunity Zone or a
9 senseless track with a lower than the average
10 wage. And, finally, they don't want to
11 approve any project that's already started.
12 Now, you can submit an advance and begin your
13 project, but you do so at risk that this Board
14 and the Governor will sign a tax exemption
15 contract for you later. Speaking to the
16 market, it's important to companies. So to
17 disqualify those companies that have already
18 broken ground is not one that we would
19 recommend. However, they would consider that,
20 I would think, to be the but for. Now, I'm in
21 Orleans Parish and I want to start this
22 project and I want your approval to move
23 forward with the tax exemption; but if you've
24 already started, that's off the table. Those
25 are the imposed restrictions that you've heard

1 discussed today as being too high of a bar.

2 From my vantage point, it's a higher bar
3 than I would like, but Parish governments and
4 local governments make their own
5 determinations and these have been carefully
6 considered by Orleans Parish government
7 entities. They affect what Mr. Bagert pointed
8 out, which is how do I tell a company, how do
9 I tell them that they've got a good chance of
10 securing approval? Well, by having these
11 criteria and I meet these four key elements,
12 I'm likely to get that approval.

13 We can't micromanage in these 64
14 Parishes. We are guiding, advising, and
15 working with this Board to secure those
16 opportunities. But in this case, you surely
17 have to recognize that, while these are more
18 onerous than you might want in terms of
19 economic development policy, those are
20 policies that have been selected by those
21 Parish governments. So I would just ask that
22 you consider that and the precedent that's
23 being set today and how we proceed in this
24 manner.

25 CHAIRMAN JONES:

1 Any other comments? Questions?

2 MR. HOLLEY:

3 Could I hear the motion again, please?

4 MR. SLONE:

5 The motion is to approve the Folger's
6 Coffee Company contracts, and I can list them
7 all, but the six numbers that are listed here,
8 last four of 0466, 0467, 0297, 0298, 03, and I
9 think you corrected it, 91.

10 MS. CHENG:

11 Yes, sir.

12 MR. SLONE:

13 And the last one being 0392.

14 MR. HOLLEY:

15 I thought that those applications had
16 already previously been approved two years
17 ago.

18 MR. SLONE:

19 Yes. Essentially, what has happened is
20 the local government has denied them. They're
21 coming to us for an appeal, which basically we
22 basically overrule that denial and send the
23 contracts to the Governor for his signature.

24 MR. HOLLEY:

25 So maybe the motion should be sustaining

1 the appeal of Folgers inasmuch as it was the
2 ordinances of the Orleans Parish governing
3 authorities were too onerous and beyond the
4 scope of the rules and regulations of this
5 Board.

6 MR. SLONE:

7 I hope somebody got that down.

8 CHAIRMAN JONES:

9 Would you accept that amendment,
10 Mr. Slone?

11 MR. SLONE:

12 Yes, I'll accept that.

13 CHAIRMAN JONES:

14 Mr. Bishop, would you accept that
15 amendment?

16 REPRESENTATIVE BISHOP:

17 (Nods head.)

18 CHAIRMAN JONES:

19 Yes, he would. All right. So very good.

20 Contrary to the belief in the room, I'm
21 going to have to speak against the motion for
22 at least partially; number one, I think that
23 -- I don't think that the Sheriff's matter is
24 before the Board. I don't think it was part
25 of the original appeal. I think the fact is

1 we don't know the basis for which the Sheriff
2 made his decision. I think I know, but I
3 don't know. There's no -- there's nothing
4 that I have that indicates to me that the
5 Sheriff based his opinion on any criteria.

6 The City Council ordinances -- excuse me,
7 the four resolutions approved, the City
8 Council ordinances did draw some very
9 important distinctions. I -- I don't like the
10 way they were written, but nevertheless, they
11 said what they said. There were four
12 applications that preceded -- that preceded
13 the enactment of the criteria. The ordinance
14 of the criteria was enacted in twenty -- I had
15 those numbers in my head an hour ago. In any
16 event, four of these applications came before
17 the criteria were enacted. To have
18 retroactive application of those ordinance
19 criteria to those applications, I don't think
20 they could have done that. And to the
21 contrary, in the City's ordinances, they
22 specifically said, we're not applying the
23 criteria; that we're doing this based only
24 upon the failure to -- or the fact that we
25 need the money.

1 The last two applications, however, 0391
2 and -- 20190391 and 20190392, each of those
3 specifically say the criteria are in place,
4 and we are applying them; and, oh, by the way,
5 we also need the money. So in my world, those
6 last two ordinances are clearly based on the
7 criteria; the first four are not. So as it
8 stands, I don't think we can second guess the
9 first four resolutions, but I think this Board
10 absolutely has the basis to second guess the
11 other two that I just mentioned.

12 The School Board, they simply relied on
13 the criteria completely. So their criteria,
14 their resolution said, we don't -- they don't
15 meet the criteria; therefore, you don't get
16 it. So in my world, a better motion would be
17 to approve the -- to grant the appeal as to
18 the School Board ordinances according to the
19 School Board millages, to grant the appeals as
20 to 20190391 and 20190392, but to deny the
21 appeal on the remaining. That, to me, would
22 be a more appropriate motion.

23 So for that reason, I'll be voting
24 against this one.

25 MR. HOLLEY:

1 Do we need to amend the motion,
2 Mr. Chairman?

3 CHAIRMAN JONES:

4 Not as far as I'm concerned. It's up to
5 Mr. Slone and Mr. Bishop. I don't get to pick
6 which motions get amended.

7 MR. SLONE:

8 I will remain with my motion.

9 CHAIRMAN JONES:

10 All right. Any other questions or
11 comments from the Board?

12 Any other comments from the public?

13 Hearing none -- oh, I'm sorry.

14 Mr. Leonard?

15 MR. LEONARD:

16 Jimmy Leonard with Advantous Consulting.
17 I'll make this quick just to add a few points.
18 With the Sheriff not having a body in which he
19 can rule, we were unable to identify any
20 formal information from his side. But in
21 going through the Orleans Parish document that
22 is on their website that everybody has to read
23 and follow, and these are the steps, it
24 clearly states in Number 8 -- and this
25 actually, if y'all want to follow me, this is

1 Item Number 3 in y'all's packet that you have.

2 Step 8 says, the Sheriff Office sends a
3 letter to the BCI with approval or denial
4 based on the ITEP Committee recommendation.
5 The ITEP Committee recommendation for those
6 2017 and 2018 applications was to approve, and
7 the Sheriff still denied. So that, it says
8 the process is for him to do that. And so
9 that is the only information that is available
10 on the Sheriff.

11 With respect to how the matters were
12 determined, the articles that came out right
13 after the decision that was made, let me get
14 to that, this is going to be Number 5 --
15 Number 4 in your packet highlighted at the
16 top, I'll read a quote from Council Member
17 Cindi Nguyen, Folgers did not do anything
18 wrong, Council Member Cindi Nguyen said;
19 adding that she was only voting to reject the
20 applications because the City needs the money
21 and because the applications didn't meet the
22 City's standards, which are stricter than the
23 State's, end quote.

24 Further as you go down, the '17 and '18
25 applications, which were deemed to be, quote,

1 grandfathered in, as we stated earlier, were
2 applications that were filed after investments
3 were made, which were consistent with how
4 Folgers had been filing all of their ITEP
5 applications to date, ran afoul with the
6 Orleans Parish requirement to prefile with
7 them first. And she says, none of the six
8 applications meet the City's criteria. That
9 was all '16 -- that was all the '17, '18, and
10 '19, which requires the creation of 15 jobs
11 with each job paying a minimum of 18. Also,
12 some of the applications were for facilities
13 that Folgers had already built, prompting
14 Council Member Helena Moreno to call the
15 proposed exemptions a gift rather than an
16 economic incentive.

17 So I just wanted to -- all right. A
18 written statement from Helena Moreno, thanks
19 to Governor Edwards, a few years ago, we were
20 able to take control of the Industrial Tax
21 Exemption program and offered strong local
22 guidelines to ensure we only grant exemptions
23 if corporations meet job creation and local
24 economic development goals. Folgers has met
25 guidelines in the past, and the Council has

1 fairly granted those exemptions, which I am
2 not aware of; they didn't have any authority
3 in those early ITEPs. But the Folgers
4 exemptions in question now fail these tests,
5 and the Council voted it down. That was dated
6 last week. So just simply wanted to make sure
7 all the information was available prior to
8 y'all's consideration and vote.

9 CHAIRMAN JONES:

10 Thank you. Are we ready to vote?

11 Okay. There's a motion on the floor to
12 approve the six contracts -- excuse me, to
13 approve the appeal and approve the six
14 contracts and send them to the Governor for
15 his execution. And we have a motion and a
16 second.

17 All in favor, say aye?

18 MR. MCINNIS:

19 Aye.

20 MR. MOSS:

21 Aye.

22 CHAIRMAN JONES:

23 All opposed?

24 Aye.

25 MAYOR TOUPS:

1 Nay.

2 MS. COLA:

3 Nay.

4 MR. NASSAR:

5 Nay.

6 CHAIRMAN JONES:

7 Okay. Let's have a hand vote, please.

8 Oh, wait. Wait. Wait.

9 Let's do a roll call vote. Forgive me.

10 MS. SIMMONS:

11 David Toups?

12 MAYOR TOUPS:

13 Nay.

14 MS. SIMMONS:

15 Yvette Cola?

16 MS. COLA:

17 Nay.

18 MS. SIMMONS:

19 Guy McInnis?

20 MR. MCINNIS:

21 For.

22 MS. SIMMONS:

23 Stuart Moss?

24 MR. MOSS:

25 Yes.

1 MS. SIMMONS:

2 Representative Vincent St. Blanc?

3 REPRESENTATIVE ST. BLANC:

4 Yes.

5 MS. SIMMONS:

6 Barry Milligan?

7 SENATOR MILLIGAN:

8 Yes.

9 MS. SIMMONS:

10 Kenneth Havard?

11 MR. HAVARD:

12 Yes.

13 MS. SIMMONS:

14 Jerald Jones?

15 CHAIRMAN JONES:

16 No.

17 MS. SIMMONS:

18 Sandra McQuain?

19 MS. MCQUAIN:

20 No.

21 MS. SIMMONS:

22 Senator Brett Alain?

23 SENATOR ALLAIN:

24 Yes.

25 MS. SIMMONS:

1 Representative Stuart Bishop?

2 REPRESENTATIVE BISHOP:

3 Yes.

4 MS. SIMMONS:

5 Secretary Don Pierson?

6 SECRETARY PIERSON:

7 Nay.

8 MS. SIMMONS:

9 George Nassar?

10 MR. NASSAR:

11 Nay.

12 MS. SIMMONS:

13 Marshal Simien?

14 MR. SIMIEN:

15 Nay.

16 MS. SIMMONS:

17 Ronnie Slone?

18 MR. SLONE:

19 Yes.

20 MS. SIMMONS:

21 Zach Lemoine?

22 MR. LEMOINE:

23 Nay.

24 MS. SIMMONS:

25 Travis Holley?

1 MR. HOLLEY:

2 Nay.

3 MS. SIMMONS:

4 We have nine nays, eight yes.

5 CHAIRMAN JONES:

6 Motion fails by a vote of nine to eight.

7 All right. Do we have a substitute
8 motion or a new motion on the floor?

9 MR. HOLLEY:

10 Without some help on remembering the
11 numbers, I would move that the two that you
12 suggested did meet the requirements --

13 CHAIRMAN JONES:

14 You want me to take a stab at a motion?

15 MR. HOLLEY:

16 Why don't you do that?

17 CHAIRMAN JONES:

18 I'll take a stab, and I'm going to make
19 it your motion, okay, and you can correct it
20 the way it needs to be; that the appeal of
21 Folgers be approved as to the School Board
22 millage for the six contracts, that the appeal
23 of Folgers as to the City contracts be
24 approved for 20190391 and 20190392, and that
25 the appeal of Folgers be approved for the

1 School Board contracts for those six -- the
2 School Board millage for those six contracts.

3 MR. HOLLEY:

4 I will adopt that language as my own.

5 CHAIRMAN JONES:

6 Thank you.

7 MR. NASSAR:

8 I'll second that.

9 CHAIRMAN JONES:

10 We have a second. A motion and a second.

11 Any further discussion?

12 MR. BAGERT:

13 Just to clarify, the Sheriff's taxes are
14 then not included --

15 CHAIRMAN JONES:

16 Correct.

17 MR. BAGERT:

18 -- in the appeal request?

19 CHAIRMAN JONES:

20 Correct. The Sheriff's taxes and the
21 four that predated the adoption of criteria
22 for the City of New Orleans are not included.

23 MR. BAGERT:

24 So I'd like to submit a very brief
25 commentary. The School Board, it's our

1 understanding and no testimony was provided
2 today that the School Board has ever been
3 informed that their standards were out of
4 compliance with the Board of Commerce and
5 Industry's, so we think it is unfair to hold
6 them accountable for something about which
7 they were not informed.

8 CHAIRMAN JONES:

9 Thank you, Mr. Bagert.

10 All right. We have a motion and a
11 second. All in favor, say aye.

12 MR. MOSS:

13 Aye.

14 REPRESENTATIVE ST. BLANC:

15 Aye.

16 SENATOR MILLIGAN:

17 Aye.

18 CHAIRMAN JONES:

19 Any opposition?

20 MAYOR TOUPS:

21 Nay.

22 MS. COLA:

23 Nay.

24 MR. MCINNIS:

25 Nay.

1 CHAIRMAN JONES:

2 Nay? Okay. Let's have a roll call vote.

3 MS. SIMMONS:

4 Okay. Mayor David Toups?

5 MAYOR TOUPS:

6 Nay.

7 MS. SIMMONS:

8 Yvette Cola?

9 MS. COLA:

10 Nay.

11 MS. SIMMONS:

12 Guy McInnis?

13 MR. MCINNIS:

14 Nay.

15 MS. SIMMONS:

16 Stuart Moss?

17 MR. MOSS:

18 Yes.

19 MS. SIMMONS:

20 Representative Vincent St. Blanc?

21 REPRESENTATIVE ST. BLANC:

22 Yes.

23 MS. SIMMONS:

24 I can't hear you.

25 REPRESENTATIVE ST. BLANC:

1 Yes.

2 MS. SIMMONS:

3 Okay. Barry Milligan?

4 SENATOR MILLIGAN:

5 Yes.

6 MS. SIMMONS:

7 Kenneth Havard?

8 MR. HAVARD:

9 Yes.

10 MS. SIMMONS:

11 Jerald Jones?

12 CHAIRMAN JONES:

13 Yes.

14 MS. SIMMONS:

15 Sandra McQuain?

16 MS. MCQUAIN:

17 Yes.

18 MS. SIMMONS:

19 Senator Brett Alain?

20 SENATOR ALLAIN:

21 Yes.

22 MS. SIMMONS:

23 Representative Stuart Bishop?

24 REPRESENTATIVE BISHOP:

25 Yes.

1 MS. SIMMONS:

2 Secretary Don Pierson?

3 SECRETARY PIERSON:

4 Nay.

5 MS. SIMMONS:

6 George Nassar?

7 MR. NASSAR:

8 Yes.

9 MS. SIMMONS:

10 Marshal Simien?

11 MR. SIMIEN:

12 Yes.

13 MS. SIMMONS:

14 Ronnie Slone?

15 MR. SLONE:

16 Yes.

17 MS. SIMMONS:

18 Zach Lemoine?

19 MR. LEMOINE:

20 Nay.

21 MS. SIMMONS:

22 Travis Holley?

23 MR. HOLLEY:

24 Yes.

25 MS. SIMMONS:

1 We have 13 yays and five noes?

2 CHAIRMAN JONES:

3 Motion carries.

4 All right. We have a lot more to go.

5 I'm turning to the Board for -- I want to be a
6 good steward of your time. We have -- I'm
7 trying to find my agenda, I've lost it. Here.
8 Thank you. Okay. We have -- we still have
9 late renewals, we still have some compliance
10 issues and election of officers to go. Do you
11 want to keep going? Do you want to take a
12 break? What's the pleasure of the Board? You
13 want to go ahead and keep going?

14 All right. Good deal. Thank you. I was
15 hoping that's what you would say.

16 All right. Next, Mr. Usie?

17 MR. USIE:

18 Next, we have one company post Executive
19 Order 2017 Rules, Number 20180076, Kerotest
20 Manufacturing Corporation, Avoyelles Parish.
21 And I believe the consultant is here today.

22 MR. SHOCKEY:

23 Yes. Thank you.

24 CHAIRMAN JONES:

25 Yes, sir.

1 MR. SHOCKEY:

2 Hi, good afternoon. My name is Bill
3 Shockey. I'm with the Law Firm of Shockey and
4 Associates. We're a Louisiana counsel for
5 Kerotest and their consultant for this
6 project. The notice of this meeting -- I'm
7 here to request a deferral to your next
8 meeting.

9 CHAIRMAN JONES:

10 Okay.

11 MR. SHOCKEY:

12 The notice came two weeks ago. Under
13 ordinary circumstances, that would be fine if
14 the company had executive officers in Monroe,
15 New Orleans, or something like that. Kerotest
16 Manufacturing operation is here. Their
17 executive officers are in Pittsburgh, but
18 Mr. Chris White is the CEO and CFO. This is a
19 relatively small company, about \$40 million a
20 year, so it's not layers of vice presidents
21 between the CEO in Pittsburgh and the plant
22 manager in Mansura, who is fine at operations,
23 but he makes valves. He doesn't have the big
24 picture of the market, et cetera.

25 Mr. White, to get here from Pittsburgh is

1 at least a two-day process. You have to fly
2 in yesterday, maybe you get a flight out this
3 afternoon, maybe you don't, so it's sometimes
4 maybe a three-day, and he just could not clear
5 everything else off of his calendar to get
6 here. I'm prepared to present a statement on
7 his behalf, but I'm just a lawyer following
8 the script, if you will. Certainly, you can
9 get a much better dialogue with Mr. White, I
10 believe, at your April 26th meeting.

11 CHAIRMAN JONES:

12 Actually, we have one recommendation from
13 the municipality to terminate --

14 MR. SHOCKEY:

15 Yes, sir.

16 CHAIRMAN JONES:

17 -- and so I think it would be appropriate
18 to have him here just to give him an
19 opportunity to explain what the situation is.
20 So I think that -- I think it would be
21 appropriate to defer if that's the pleasure of
22 Board?

23 We have a motion from Mr. Moss. Second
24 from Mr. Slone.

25 Any comments, questions from the Board?

1 Any other comments from the public?

2 Hearing none, all in favor, say aye.

3 ALL:

4 Aye.

5 CHAIRMAN JONES:

6 Any opposed?

7 There is none. We'll defer it to the
8 next meeting.

9 MR. SHOCKEY:

10 Thank you all. He will be here on the
11 26th.

12 CHAIRMAN JONES:

13 Thank you very much.

14 MR. SHOCKEY:

15 Thank you, Hud.

16 MR. USIE:

17 Next, we have Noncompliant Contracts
18 following the 2018 Rules. We have one
19 contract, Number 20180413 for Graham Packaging
20 Company, LP in West Baton Rouge Parish that is
21 noncompliant for the 2021 reporting period.
22 The Exhibit A requires the company create and
23 maintain 55 jobs with \$2,402,400 in payroll.
24 The actual jobs created was 44 jobs with
25 \$3,234,852 in payroll. The filing is

1 noncompliant for the job portion only.

2 The Parish submitted a recommendation
3 stating, upon consideration of the foregoing
4 and public discussion held this day, that the
5 West Baton Rouge Parish Council defers to the
6 Louisiana Board of Commerce and Industry to
7 request no charges or penalties implied due to
8 their explained circumstances and amend their
9 original ITEP application based on West Baton
10 Parish Resolution 3 of 2021. The resolution
11 is in reference to amending the Exhibit A
12 agreement, which was previously approved by
13 this Board. However, the amendment was
14 prospective beginning in 2022. The School
15 Board nor Sheriff responded with a
16 recommendation.

17 CHAIRMAN JONES:

18 Okay. Thank you very much for being
19 here. Please state your name, your position
20 with the company, please.

21 MR. BARKER:

22 Jason Barker, Plant Manager.

23 CHAIRMAN JONES:

24 Great. And?

25 MS. JOHNSON:

1 Anna Johnson, Executive Director, West
2 Baton Rouge Chamber of Commerce.

3 CHAIRMAN JONES:

4 Thank you for being here. Tell us what
5 the situation is and the reason for the
6 noncompliance.

7 MR. BARKER:

8 So when the original application was
9 made, Graham employed 55 people. Twelve jobs
10 were related to our depalletizing operation,
11 and there was a change in the agreement with
12 our customer. Twelve of those employees
13 stayed with our customer and continued that
14 function as they took it over, and which
15 resulted in now we have 43 employees.

16 CHAIRMAN JONES:

17 Okay. So, essentially, the work is
18 continuing, but the employees are --

19 MR. BARKER:

20 Yes, sir.

21 CHAIRMAN JONES:

22 -- are working with the customer instead
23 of with you?

24 MR. BARKER:

25 Yes, sir.

1 CHAIRMAN JONES:

2 Is that fair?

3 MR. BARKER:

4 Yes, sir.

5 CHAIRMAN JONES:

6 Okay. All right. As you see, we've had
7 one recommendation. The only recommendation
8 is from a local entity who responded was to
9 take no action. The School Board and the
10 Sheriff did not take time to respond. I would
11 -- yes, ma'am?

12 MS. JOHNSON:

13 I just wanted to make a comment that he
14 didn't mention, they knew they weren't going
15 to be in compliance for the said contract
16 years, so they did proactively reach out to
17 the local community and to LED to get their
18 Exhibit A amended. So they got it amended
19 for, I believe, 2022 moving forward.

20 CHAIRMAN JONES:

21 Right.

22 MS. JOHNSON:

23 We just didn't account for the year.

24 CHAIRMAN JONES:

25 Understood. Okay. Good deal. I would

1 accept a motion.

2 MAYOR TOUPS:

3 Motion for no penalty.

4 CHAIRMAN JONES:

5 Okay. We have a motion to approve with
6 no penalty. Second from Mr. Nassar.

7 Any questions or comments from the Board?

8 Hearing none, any comments from the
9 public?

10 Hearing none, all in favor, say aye.

11 ALL:

12 Aye.

13 CHAIRMAN JONES:

14 Any opposed?

15 There being none, the motion carries.

16 Thank you, sir. Good luck to you.

17 MR. BARKER:

18 Thank you.

19 MS. JOHNSON:

20 Thank you.

21 MR. USIE:

22 Next, we have two contracts, 20180403 and
23 20180403-A for Indorama Ventures Olefins, LLC
24 in Calcasieu Parish that is noncompliant for
25 the 2021 reporting period. The Exhibit A for

1 both contracts requires the company create and
2 maintain 3 jobs with \$100,000 in payroll. The
3 actual jobs and payroll was zero.

4 The Parish Council and Sheriff did not
5 respond with recommendations. The School
6 Board issued a resolution recommending to
7 reduce by one year the term of tax exemptions
8 for each contract.

9 CHAIRMAN JONES:

10 State your name and position with the
11 company.

12 MR. HEXT:

13 Yes, sir. I'm David Hext, I'm the Site
14 Manager for Indorama Ventures. This is our --
15 go ahead.

16 MR. ANDERSON:

17 Chad Anderson, Chief Technology Officer
18 and Head of Manufacturing for Indorama
19 Ventures.

20 CHAIRMAN JONES:

21 Okay. Great. All right. Tell us what
22 the situation is.

23 MR. HEXT:

24 So in 2021 --

25 CHAIRMAN JONES:

1 Pull the mic a little bit closer to you
2 for the court reporter.

3 MR. HEXT:

4 Yes, sir. In 2021, we fell short of the
5 number of Louisiana required resident
6 employees. We do have a higher number of
7 employees on site, but we have a number of
8 open positions related that we're trying to
9 fill. And we're slow to get reemployment
10 because of COVID and some of the restrictions
11 around, you know, seeking employees during the
12 COVID time period. We also have a number of
13 Texas employees because of our proximity to
14 the border as well, and we attract employees
15 from that area.

16 So we're currently actively working to
17 fill open positions. It's a competitive area
18 there in Westlake, Sulfur, and so we're trying
19 to actively recruit people. We have partnered
20 with here recently in the last year SOWELA,
21 their P-Tech Program. We're doing some
22 military recruiting as well. And in addition,
23 we've improved our 401K plan to, you know,
24 attract more employees to the site. So we're
25 doing a lot of things to get up to our

1 required headcount, and we expect, you know,
2 we will meet the requirements.

3 CHAIRMAN JONES:

4 I want to be sure I understand. There's
5 -- I have two contracts with three jobs at a
6 \$100,000 in salaries. Is that -- are we
7 talking about six jobs or just three jobs for
8 the two contracts?

9 MR. USIE:

10 It's just three. They're sharing an
11 Exhibit A.

12 CHAIRMAN JONES:

13 They're sharing --

14 MR. USIE:

15 It's one project that assets were placed
16 in service in different years.

17 CHAIRMAN JONES:

18 Thank you. Thank you. That was my --
19 you said it better than I did. Okay. Good.
20 All right. As you can see, we've had no
21 response from the Police Jury or the Sheriff,
22 but the School Board has responded and
23 recommended that the Board reduce the term by
24 one year. Did you have any conversations with
25 the School Board prior to that decision?

1 MR. HEXT:

2 No. We went to the School Board where it
3 was discussed, but we -- they made their
4 judgment there at the School Board level. I
5 do have a few numbers to share. In 2021, our
6 Louisiana payroll was \$14.8 million and our
7 average salary for our Louisiana residents is
8 \$134,000, so these are high paying jobs. They
9 are technical professionals. We need
10 qualified experienced operators for our
11 hazardous chemical plant. You know, it's not
12 -- this is not unskilled workers.

13 These are skilled workers and people with
14 very needed skill sets in that area, and
15 that's been a challenge for us to attract.
16 We're fighting all of our local competition.
17 And you've attracted a lot of stuff to the
18 State, and we're all trying to draw off the
19 same source.

20 CHAIRMAN JONES:

21 Board, what's your pleasure? Mr. Moss?

22 MR. MOSS:

23 I move for a one-year penalty.

24 CHAIRMAN JONES:

25 Mr. Moss, the motion is to approve the

1 application with a one-year penalty. A second
2 from Mr. Slone.

3 Any questions or comments from the Board?

4 Any comments from the public? Yeah?

5 MR. BRODERICK:

6 Jessie Broderick with Sumit Credits,
7 consultants that works with Indorama to assist
8 them through their compliance, just wanted to
9 make a couple of points. One, they did meet
10 with the -- not meet with the School Board,
11 was at the School Board meeting, we were
12 present and expressed to them that we are
13 working to meet the job requirements, to meet
14 the requirements of the contract, then they
15 made their decisions accordingly. And the
16 thing that I would ask that you consider, just
17 as you considered earlier today, it was only
18 the School Board, the only organization that
19 is requesting that a reduced term.

20 The Parish and the Sheriff actually were
21 in favor of this project, but they chose to
22 just not say anything as opposed to send a
23 letter, but they didn't -- and Mr. Jonathon
24 from the Alliance is here, he can probably
25 speak to that. But I guess what I'm asking is

1 that you maybe consider if you're going to do
2 a penalty to only have it apply to the School
3 Board portion.

4 CHAIRMAN JONES:

5 Mr. Moss, it's your motion.

6 MAYOR TOUPS:

7 I will offer a substitute motion to that
8 extent, a one-year penalty for the School
9 Board and no penalty for the other two
10 entities.

11 MR. MOSS:

12 Since the School Board spoke out against
13 it?

14 MAYOR TOUPS:

15 Exactly. I'm representing local
16 government. They spoke up, so.

17 MR. MOSS:

18 Thank you. Local government, they're in
19 my backyard.

20 CHAIRMAN JONES:

21 So I think we have a substitute motion --

22 MR. MOSS:

23 I'm okay with the substitute motion.

24 CHAIRMAN JONES:

25 -- to basically approve with a one-year

1 penalty for the School Board millage, but no
2 penalty for the Police Jury and the Sheriff.

3 MS. CHENG:

4 Mr. Jones, I'm not sure that y'all can do
5 that because that would put the expiration
6 date of the contract different for the same
7 contract for different millages.

8 CHAIRMAN JONES:

9 Help me -- oh, I see what you're saying.

10 MR. MOSS:

11 If that's the case, I'm going to stay
12 with my original motion.

13 MAYOR TOUPS:

14 I tried.

15 MR. MOSS:

16 I understand. I see the point.

17 CHAIRMAN JONES:

18 Point well taken. All right. We have a
19 motion and a second to approve with one-year
20 penalty across the board.

21 Any other questions or comments?

22 There being none, all in favor, say aye.

23 ALL:

24 Aye.

25 CHAIRMAN JONES:

1 Any opposition?

2 There being none, the motion carries.

3 Thank you, sir.

4 All right. Next?

5 MAYOR TOUPS:

6 I would like to register my vote as a
7 nay.

8 CHAIRMAN JONES:

9 Oh, I'm sorry. I didn't -- I apologize.
10 I didn't get an opposition.

11 MAYOR TOUPS:

12 Yes.

13 CHAIRMAN JONES:

14 Let's go back and let's give -- I asked
15 for the yays.

16 Any opposition?

17 MAYOR TOUPS:

18 Nay.

19 MR. MCINNIS:

20 Nay.

21 CHAIRMAN JONES:

22 We have two nays, Mr. McInnis and Mayor
23 Touns. I'm sorry I'm getting a little punchy,
24 guys. Hang with me.

25 MAYOR TOUPS:

1 That's all right.

2 CHAIRMAN JONES:

3 All right. Next?

4 MR. USIE:

5 Next, we have one contract, Number
6 20180275 for Instrument and Valve Services
7 Company in Calcasieu Parish that is
8 noncompliant for the 2021 reporting period.
9 The Exhibit A for the contract requires the
10 company create and maintain five jobs with
11 \$268,000 in payroll. The actual jobs and
12 payroll was zero. The company is also
13 noncompliant due to the late filing. The
14 compliance was due April 30th of 2022 but not
15 received until June 27th, 2022.

16 No responses were received from the
17 Parish, the Sheriff, or the City. The School
18 Board denied the initial exemption at the time
19 of the application; therefore, it is not
20 applicable.

21 CHAIRMAN JONES:

22 All right. Yes, please state your name
23 and your position with the company, please.

24 MR. HEINZ:

25 I'm Doug Heinz. I'm a Site Selection

1 Consultant with Kroll, and I assisted
2 Instrument and Valve Services with this
3 original contract. And I'm joined here today
4 by (indicating).

5 MR. MCDANIEL:

6 Hi, I'm Cliff McDaniel. I'm Director of
7 Operations for John H. Carter.

8 CHAIRMAN JONES:

9 All right.

10 MR. HEINZ:

11 So early at the --

12 CHAIRMAN JONES:

13 Pull the mic closer. Pull it to you.

14 MR. HEINZ:

15 Earlier at the meeting today, we had
16 requested the contract be assigned over from
17 Instrument and Valve Services to John H.
18 Carter, which was approved here by the Board.
19 And so if I can get some, you know, background
20 on the overall project and what transpired, I
21 think that will explain the noncompliance for
22 2021.

23 CHAIRMAN JONES:

24 First of all, tell me what you make.

25 Tell me what's made at the --

1 MR. HEINZ:

2 They are -- they manufacture valves and
3 valve manufacturing and repair there at the
4 facility.

5 CHAIRMAN JONES:

6 Got it. I'm sorry. Go ahead.

7 MR. HEINZ:

8 So this project was originally
9 constructed by Instrument and Valve Services
10 in 2019. It was a 30,000 square foot
11 facility, about \$4 million of cap X, \$3.7
12 million. They had 11 jobs at the site. And
13 as part of this expansion, it was actually
14 built on a greenfield, they were going to
15 create 25 new jobs as a part of this facility,
16 so retaining 11 and then adding 25 new jobs.

17 This project was completed in May 15th of
18 2020. The operations began in June 2020
19 during COVID, and Instrument and Valve
20 Services retained all employees during that
21 time. In August of 2021, IVS transferred
22 operations to John H. Carter, meaning that IVS
23 essentially terminated all of their employees,
24 and they were subsequently hired by John H.
25 Carter. All employees from IVS were rehired

1 by John H. Carter, who took over operations at
2 the facility with no interruptions of
3 business, no impact to customers there in the
4 facility.

5 So at that time, John H. Carter purchased
6 the assets at the facility and then decided to
7 lease the building while they worked out
8 negotiations on actually purchasing the
9 building, which would allow us to then
10 transfer the contract over. And so
11 technically as of December 31, 2021, IVS did
12 not employ any employees at the facility.
13 Those were employed by John H. Carter at the
14 time. So on our 2021 compliance report, the
15 reason we're showing zero, you know, new
16 employees is because, technically, IVS had
17 transferred those operations over to John H.
18 Carter at that time.

19 John H. Carter has continued the
20 operations at the facility. They are
21 currently employing 29 employees with \$2.5
22 million in payroll. That is exceeding the
23 contractual requirements stipulated in the
24 original agreement with IVS. And so part of
25 what we're requesting here is to transfer the

1 assignment over to John H. Carter, which was
2 approved. And then for this compliant
3 provision, we would respectfully request that
4 the incentive is maintained at the current
5 rate and that John H. Carter is able to
6 utilize this tax exemption going forward in
7 support of their business.

8 CHAIRMAN JONES:

9 Okay. I think I followed that, and I
10 have one question just to follow up. So the
11 five jobs were created and the payroll was
12 met, but it was being paid by John H. Carter
13 instead of Instrument and Valve Services?

14 MR. HEINZ:

15 Yes, sir.

16 CHAIRMAN JONES:

17 Is that accurate?

18 MR. HEINZ:

19 Yes, sir.

20 CHAIRMAN JONES:

21 Okay. All right. Okay. Y'all follow
22 where we are? Basically, we just transferred
23 this contract from this company to a different
24 company earlier in the meeting, and they had
25 already started operating the company meeting

1 the obligation. So the question then really
2 becomes, if we approve this, it will go to the
3 benefit of the new company, of the company
4 that is already operating at the site --

5 MR. HEINZ:

6 Yes, sir.

7 CHAIRMAN JONES:

8 -- under a new name. Okay. And as you
9 can see, we've gotten no response from any
10 local government.

11 MR. MOSS:

12 I make a motion to approve.

13 CHAIRMAN JONES:

14 We have a motion to approve with no
15 penalty.

16 MAYOR TOUPS:

17 Second.

18 CHAIRMAN JONES:

19 We have a second from Mayor Toups.

20 Any comments or questions from the Board?

21 Any comments from the public?

22 There being none, all in favor, say aye.

23 ALL:

24 Aye.

25 CHAIRMAN JONES:

1 Any opposition?

2 There being none, the motion carries.

3 MR. HEINZ:

4 All right. Thank you, sir.

5 CHAIRMAN JONES:

6 Appreciate your time.

7 MR. USIE:

8 Next, we have one contract, Number
9 20170480 for Louisiana Spirits, LLC in
10 Jefferson Davis Parish that is noncompliant
11 for the 2021 reporting period. The Exhibit A
12 for the contract requires the company create
13 and maintain three jobs with \$9,000 in
14 payroll. The actual jobs created was seven
15 jobs with \$27,148 in payroll. The company is
16 noncompliant for the payroll portion only.

17 The Parish submitted a recommendation
18 stating to defer any decision or action on the
19 company's noncompliance to the Louisiana Board
20 of Commerce and Industry. The School Board
21 submitted a recommendation stating to take no
22 action against Louisiana Spirits for its
23 noncompliance. And the Sheriff did not
24 respond.

25 CHAIRMAN JONES:

1 Good evening. State your name and
2 position of the company, please.

3 MR. TORRE:

4 My name is Angelo Torre. I'm the
5 Director of Manufacturing for Stoli Group and
6 the Managing Officer for Louisiana Spirits,
7 which is the manufacturer of several brands,
8 Bayou Rum, Kentucky Owl Bourbon, and Gator
9 Bite Liquor.

10 MR. BRODERICK:

11 And I'm Jessie Broderick with Sumit
12 Credits just to answer any general questions.

13 CHAIRMAN JONES:

14 So it looks like you have exceeded the
15 job requirements, but you fell short on the
16 payroll. Tell us what's going on.

17 MR. TORRE:

18 It was the payroll towards the end of the
19 year, I believe, the months of November and
20 December, some of that rolled into the next
21 year, 2022. And in 2022 is when I arrived at
22 the organization and was made aware of our
23 shortfall, and since then have doubled the
24 payroll and the number of FTEs. So we're now
25 at actually 36 employees with a payroll of

1 \$1.8 million.

2 And we do -- I do also have, I met with
3 all three taxing entities. And I do have a
4 letter from the Sheriff, Ivy Woods where he
5 recommended no penalty as well, so two of the
6 three.

7 CHAIRMAN JONES:

8 Okay.

9 MR. BRODERICK:

10 And just to answer your question, you're
11 correct, that the jobs in 2021 was a rough
12 year for them, and they did hire a number of
13 jobs towards the end of the year in December.
14 And so they met the jobs requirement active as
15 of the end of the year. But because it was
16 only a month or two of payroll, that's why
17 they did not make the payroll requirement.

18 CHAIRMAN JONES:

19 All right.

20 MR. MOSS:

21 I move with no penalties.

22 CHAIRMAN JONES:

23 We have a motion to approve with no
24 penalty by Mr. Moss, second from Mr. Allain.

25 Any questions or comments from the Board?

1 Hearing none, any comments from the
2 public?

3 Hearing, none, all in favor, say aye.

4 ALL:

5 Aye.

6 CHAIRMAN JONES:

7 Any opposition?

8 There is none, the motion carries.

9 Thank you very much.

10 MR. TORRE:

11 Thank you.

12 MR. BRODERICK:

13 Thank you.

14 MR. USIE:

15 Next, we have one contract, Number
16 20180110 for Service Machine & Supply, Inc. in
17 Lafayette Parish that is noncompliant for the
18 2021 reporting period. The Exhibit A for the
19 contract required the company create and
20 maintain two jobs with \$100,000 in payroll.
21 The actual jobs and payroll was zero.

22 The Parish denied the initial exemption
23 at the time of the application, so it does not
24 apply. And no responses were received from
25 the School Board, nor the Sheriff.

1 CHAIRMAN JONES:

2 Yes, sir, state your name.

3 MR. MECHE:

4 My name is Chris Meche, I'm the company
5 CPA.

6 CHAIRMAN JONES:

7 Tell us what happened on the failure to
8 add the two new jobs with the salaries.

9 MR. MECHE:

10 Okay. Well, this is similar. I was here
11 last year about this time explaining, you
12 know, where we were and how we had been
13 affected by everything. First reason being,
14 COVID shutdown, which is self-explanatory. We
15 had a substantial loss in revenues for the '20
16 through '22 years as compared to '19 as a base
17 year before the COVID and slowdown in the
18 industry. We suffered about a 53 percent loss
19 of revenue in 2020 compared to '19. The '21
20 year was a 48 percent loss. But looking
21 forward to '22, we're only at a 19 percent
22 loss. So things are definitely improving
23 within the industry and the revenues are being
24 generated; thus, our next point is with the
25 jobs.

1 We're now at 38 jobs. About the middle
2 way -- '21 was actually our toughest year, we
3 actually dropped down to 33 jobs, but '22 has
4 picked up substantially. About midway through
5 '22, we have gotten to 38 jobs. And we're
6 there now.

7 CHAIRMAN JONES:

8 So your base number of jobs was what at
9 the time of the contract?

10 MR. MECHE:

11 Thirty-eight.

12 CHAIRMAN JONES:

13 Thirty-eight.

14 MR. MECHE:

15 Thirty-six was where we were when we
16 started the project and we were supposed to
17 create two new jobs.

18 CHAIRMAN JONES:

19 And you're at 38 now?

20 MR. MECHE:

21 At 38 now, correct.

22 CHAIRMAN JONES:

23 All right.

24 MR. MECHE:

25 I did have a conversation with the

1 company president yesterday and he said, you
2 know, there's a lack of experienced people out
3 there to hire. And he said he actually could
4 hire eight to ten more today, but he's just
5 having trouble finding qualified candidates.

6 CHAIRMAN JONES:

7 All right. So with the two other
8 employees that you picked up, are you meeting
9 the salary requirement as well?

10 MR. MECHE:

11 Yes.

12 CHAIRMAN JONES:

13 Okay.

14 MR. MECHE:

15 So we're asking the Board to approve with
16 no actions or penalties, as they did last
17 year. And we really appreciate the help that
18 we were given last year. It's helped
19 tremendously.

20 CHAIRMAN JONES:

21 And, again, we've gotten no response from
22 the entities that have put the contracts in
23 place, so I'll entertain a motion.

24 A motion to approve with no penalty? We
25 have a motion from Mr. Slone, a second by

1 Mr. St. Blanc.

2 Any questions or comments from the Board?

3 Hearing none, any comments from the
4 public?

5 Hearing none, all in favor, say aye.

6 ALL:

7 Aye.

8 CHAIRMAN JONES:

9 Any opposition?

10 None, motion carries.

11 MR. MECHE:

12 Appreciate your support.

13 MR. USIE:

14 Last, we have one contract, Number
15 20180460 for Ternium USA, Inc. in Caddo Parish
16 that is noncompliant for the 2021 reporting
17 period. The Exhibit A for the contract
18 requires the company create and maintain six
19 jobs with \$390,000 in payroll. The actual
20 jobs and payroll were zero.

21 No responses were received from the
22 Parish, the School Board, or the Sheriff.

23 MR. JORGE:

24 Good morning. My name is Jorge Atena.
25 I'm the Regional Controller of Ternium.

1 CHAIRMAN JONES:

2 Great.

3 MR. JORGE:

4 And I just wanted to explain, this was a
5 very temporary situation from the last quarter
6 during 2021. The reasons were, we had a lot
7 of turnovers during that year. I think it was
8 a particular situation, the labor market and
9 all across the U.S. We were having a lot of
10 resignations, and our HR were having a hard
11 time to replace those jobs and keep them. So,
12 basically, I believe that in terms of amount
13 of salary of payroll, we achieved the goal,
14 but they didn't count because they were so
15 temporary because of that turnover.

16 We work a lot of changing the policies to
17 attract new jobs. And by February, we were on
18 the level that we should be at. And,
19 actually, we were in creating two more jobs
20 than the six that we committed. So by
21 February, we were 168 already. So it was just
22 basically those three months October,
23 November, and December that were really
24 chaotic to keep all of the payroll.

25 CHAIRMAN JONES:

1 So to make sure I understand, so as of
2 February of this year 2023, you are at the
3 number that --

4 MR. JORGE:

5 Yes, we're at 168. Basically, like
6 November, we were at 178.

7 CHAIRMAN JONES:

8 I'm sorry, 2022?

9 MR. JORGE:

10 2022, yeah. February of 2022, we were
11 168. And by November 2022, we were 178.

12 CHAIRMAN JONES:

13 Okay. All right. And, again, we have no
14 direction from the School Board, the Parish,
15 or the Sheriff. So I'll entertain a motion to
16 approve from Mr. Nassar with no penalty,
17 second from Mr. Simien.

18 Any questions or comments from the Board?

19 Hearing none, any comments from the
20 public?

21 Hearing none, all in favor, say aye.

22 ALL:

23 Aye.

24 CHAIRMAN JONES:

25 All opposed?

1 There being none, the motion carries.

2 Thank you very much.

3 MR. USIE:

4 And that concludes ITEP.

5 CHAIRMAN JONES:

6 Thank you, Mr. Usie.

7 Now, any other business? We have
8 election of officers. Anybody want this job?

9 MR. SLONE:

10 I do not want to go to law school, I'm
11 sorry.

12 SECRETARY PIERSON:

13 I nominate Jerry Jones for Chair.

14 MS. MCQUAIN:

15 Second.

16 MAYOR TOUPS:

17 I make a motion to close nominations.

18 MR. SLONE:

19 I second.

20 CHAIRMAN JONES:

21 All in favor, say aye.

22 ALL:

23 Aye.

24 CHAIRMAN JONES:

25 None of you get Christmas cards.

1 Now, we have a Vice Chairman. Do we have
2 a nomination for Vice Chairman? We have a
3 motion from Mr. Nassar that Mr. Slone continue
4 in that capacity.

5 MR. SLONE:

6 I am not going to law school.

7 CHAIRMAN JONES:

8 Motion and second. All in favor, say
9 aye.

10 ALL:

11 Aye.

12 CHAIRMAN JONES:

13 Any opposition?

14 There being none, the motion carries.

15 Thank you, Mr. Slone. I'm glad you got
16 my wing.

17 All right. Mr. Pierson?

18 SECRETARY PIERSON:

19 I'm going to forgo the Secretary's
20 remarks, unless there's any questions from the
21 Board.

22 CHAIRMAN JONES:

23 Thank you very much. I apologize for the
24 length of the meeting and, perhaps, the
25 contentious of it, but thank you all for

1 hanging with us.

2 Motion to adjourn?

3 We have a motion, a second.

4 All in favor, say aye.

5 ALL:

6 Aye.

7 CHAIRMAN JONES:

8 We are adjourned.

9 (WHEREUPON, THE MEETING ADJOURNED.)

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

2 I, KELLY S. PERRIN, a Certified Court
3 Reporter, Certificate #23035, in good standing with
4 the State of Louisiana, as the officer before whom
5 this meeting was taken, do hereby certify that the
6 foregoing 238 pages;

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

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

23
24
25

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

5 Signed:



KELLY S. PERRIN, CCR

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