

MEETING MINUTES

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MEETING MINUTES FOR
THE BOARD OF COMMERCE AND INDUSTRY
OF THE
LOUISIANA ECONOMIC DEVELOPMENT CORPORATION
HELD AT
CAPITOL ANNEX BUILDING
1051 NORTH 3RD STREET
BATON ROUGE, LOUISIANA
ON THE 21ST DAY OF SEPTEMBER, 2016
COMMENCING AT 2:04 P.M.

REPORTED BY: ELICIA H. WOODWORTH, CCR



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1 **Appearances of Board Members Present:**

2 Robert Adley
3 Manual "Manny" Fajardo
4 Charles R. "Robby" Miller
5 Daniel J. Shexnaydre, Jr.
6 Steve Windham

7 **Staff members present:**

8 Eric Burton
9 Kristen Cheng
10 Danielle Clapinski
11 Frank Favaloro
12 Brenda Guess
13 Richard House
14 Mandi Mitchell
15 Melissa Sorrell

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MR. ADLEY:

All right. Members, let me call this meeting. I recognize we do not have a quorum. We're not taking any action today, but we are going to have discussion, so with that, let's call roll and find out who we have.

MS. SORRELL:

Robert Adley.

MR. ADLEY:

Here.

MS. SORRELL:

Yvette Cola.

(No response.)

MS. SORRELL:

Major Coleman.

(No response.)

MS. SORRELL:

Ricky Fabra.

(No response.)

MS. SORRELL:

Manny Fajardo.

MR. FAJARDO:

Here.

MS. SORRELL:

Robby Miller.



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1 MR. MILLER:

2 Here.

3 MS. SORRELL:

4 Jan Moller.

5 (No response.)

6 MS. SORRELL:

7 Daniel Shexnaydre.

8 MR. SHEXNAYDRE:

9 Here.

10 MS. SORRELL:

11 Ronnie Slone.

12 (No response.)

13 MS. ROBBINS:

14 We have four. We do not have a quorum.

15 MR. ADLEY:

16 Members, as I stated, we do not have a
17 quorum, so, therefore, we cannot approve the minutes
18 that are before us, but we do want to take one more step
19 and one more stab at this as we're trying to rewrite the
20 rules and have discussion. I know there are some
21 members that need to be out of here hopefully no later
22 than 4 o'clock, and hopefully we're out of here long
23 before that.

24 My goal today is just to do several
25 things. One, get the staff, just, I'd like you to take



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1 the rules we had from the last meeting and just go
2 through the changes that you've made from the last set
3 of rules instead of going through each and every one of
4 them. And then we'll have some questions, I'm sure,
5 regarding the whole set of rules.

6 I do want to say to the committee, if
7 you write these down, I'll give you the dates of our
8 next two meetings so that you will have that. So I'm
9 making an effort to hopefully get us to the point of
10 voting on some of this stuff in October get it to the
11 full board as quickly as we can. So the next meeting
12 will be on September 30th. Mr. Patterson, that's a
13 Friday, for a particular reason. And the next one will
14 be on October the 21st. Those are the two days we'll
15 have them. I think 10 o'clock works for most of you.
16 We'll have it at 10 o'clock in the morning and hopefully
17 get us out of here by noon, so let's try to do that.

18 When we go through it today, there's an
19 assignment for the committee, which I'm going to ask all
20 of you to take home with you, and that is I want you to
21 work very carefully on looking at two words,
22 "manufacturing" and "maintenance," and spend some time
23 looking at if you had to define those words, what would
24 your definition be. I know I've spent some time doing
25 that because the Governor's office has asked us to. The



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1 current definition is extremely broad and we'd like to
2 get your ideas on what you think it ought to look like.

3 So with that, let me -- just identify
4 yourself and then let's just kind of walk through what
5 changes you've made.

6 Did I miss something?

7 Don, push your button for me so I can
8 turn you on. There you go.

9 SECRETARY PIERSON:

10 Mr. Chairman, at some point in the
11 meeting, I would like to provide a short overview of our
12 offer letters and I think it relates to some of the
13 uncertainty that caused the Board to defer a number of
14 applications at the last meeting and I just think it
15 would be helpful and instructive to the members.

16 MR. ADLEY:

17 Is that something you think you need to
18 do at the beginning or the end?

19 SECRETARY PIERSON:

20 It's certainly your choice, sir. Three
21 to five minutes --

22 MR. ADLEY:

23 Let's get it at the end once we get
24 through this part. How about that?

25 SECRETARY PIERSON:



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1 Great.

2 MS. CLAPINSKI:

3 Yes, sir. Good afternoon. Danielle
4 Clapinski, attorney for LED.

5 MR. HOUSE:

6 And I'm Richard House, attorney.

7 MS. CLAPINSKI:

8 Okay. I'll start on the rules. The
9 first major change that we did to this draft of rules
10 from the previous draft is to create a new Section 501,
11 which is the Statement of Purpose to explain I think
12 what we're attempting to do with these rules, and I'll
13 let Richard address that portion if there are any
14 questions.

15 MR. ADLEY:

16 There will be a couple. I know I have a
17 couple, and the other members might, also.

18 Richard, is there anything that you'd
19 like to add to that?

20 MR. HOUSE:

21 No, sir. I'll be glad to address those
22 questions whenever you have them. I thought we'd go
23 through what the changes were first, but if you want to
24 ask them now, ask them now. However you want to do it.

25 MR. ADLEY:



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1 Why don't we just get some of that, the
2 Preamble, that's brand new to us. It's the first time
3 for us to see it.

4 I sent this onward to the Governor's
5 office to have legal counsel look at it to get their
6 thoughts, and I think their reaction is similar to mine
7 in that the way it is written, rather -- I thought when
8 we started it was a great idea because it would pinpoint
9 exactly where we wanted to head, but the language in it,
10 in many cases, are just getting really ambiguous
11 sounding to me. Particularly in the second paragraph
12 where it talks about "genuine commitment" for the
13 program's future, we don't we really don't understand
14 why that language would be there at all. We recognize
15 everything we do is competitive, so I'm just saying to
16 you that that's the thought. That's the feedback that I
17 got.

18 MR. HOUSE:

19 Well, let me give you my feedback to
20 your feedback. The purpose of this, as I explained to
21 you at the last meeting, was to set forth a Preamble or
22 a Statement of Purpose. If you don't want to put this
23 in here, you're on the Board and let's strike it out of
24 there. But, you know, we can go back and forth as to
25 what's ambiguous, but saying that something is ambiguous



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1 is also ambiguous in and of itself. This is a plain
2 Statement of Purpose for the Board. It says what the
3 Board wants to do and wants to accomplish under the new
4 rules going forward as well as going -- as well as
5 looking back in what the commitments are. And this is,
6 in fact, the recommendation of the Department of
7 Economic Development to the Governor in terms of how to
8 go forward with this program. So and you'll recall,
9 too, that at the last meeting, I certainly welcomed any
10 comments that anyone had, but you can go from not having
11 it in here, you can go to putting your own unambiguous
12 language in here if you want to or you can do whatever
13 you want. I invite the committee to do that. Telling
14 me something is ambiguous doesn't really get me
15 anywhere.

16 MR. ADLEY:

17 I clearly felt from the last meeting
18 that my thought process was like yours, that it might
19 add more clarity to what we were doing. I'm not so for
20 sure I share that view today, and I would ask the
21 committee -- what I'm going to ask them to do with the
22 Preamble is something else you take home, let you go
23 through it thoroughly yourself. But the Paragraph B,
24 now, gets to the heart of the discussions we've been
25 having at the Board meetings about dates, times and when



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1 does things kick in. That, too, seems to be creating
2 some concern when we start relating back to renewals and
3 those things basically saying everything that's been up
4 to this date is done.

5 MR. HOUSE:

6 So that's not ambiguous.

7 MR. ADLEY:

8 So I'm not sure that we share that same
9 view.

10 MR. HOUSE.

11 Okay. So that does very clearly set
12 forth what our position is that these are rules that are
13 going forward with respect to what has occurred in the
14 past; the old rules apply, so there's nothing ambiguous
15 about that. And that's the position of the Department
16 of Economic Development.

17 MR. ADLEY:

18 I think it gets to the issue of when do
19 we think it actually begins. There seems to be some
20 difference of opinion to that as we know from when we
21 heard from the public and what they had to say and, of
22 course, what the department had to say.

23 So I'm going to just ask the committee
24 members, if you will, this is a new piece for us, if
25 you'll take those items, A and B, spend some time



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1 looking at those. We will do the same thing. And I'm
2 going to ask before our next meeting that what you would
3 do is once with we get through these today, what you
4 bring back to us next time, just get rid of all of the
5 red line, all of the formatting, give us what the rules
6 would look like.

7 MS. CLAPINSKI:

8 Okay.

9 MR. ADLEY:

10 And we will ask the staff, if you can,
11 spit those out to us a little sooner than we've been
12 getting them, two or three days before the meeting. It
13 would be better if we can get them four or five days
14 before the meeting so people have time working their way
15 through.

16 Okay. So that's the Preamble. What's
17 next?

18 MS. CLAPINSKI:

19 Okay. There is a change to the
20 definition of "Addition to a manufacturing
21 establishment" to clearly -- because one of your
22 concerns last time was how are we any better off than we
23 were prior to clearly show that.

24 MR. ADLEY:

25 Give us the number of where you are.



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1 MS. CLAPINSKI:

2 It's in Section 502, but the definitions
3 are not numbered. Definitions and rules aren't
4 numbered, so it's just italicized --

5 MR. ADLEY:

6 I see definitions 1, 2, 3, 4, 5. Where
7 do I get where you are?

8 MS. CLAPINSKI:

9 Well, Section 502 is definitions. The
10 1, 2, 3, 4, I don't think the definitions themselves, my
11 version is not numbered.

12 MR. ADLEY:

13 I'm counting them here. It's 1, 2, 3,
14 4, 5, and then I drop down to "Beginning of
15 construction," "Board," "Capital expenditure."

16 MS. CLAPINSKI:

17 Yes, sir. Well, directly under 502 is
18 "Addition to a manufacturing establishment" --

19 MR. ADLEY:

20 Got you.

21 MS. CLAPINSKI:

22 And underneath there are different
23 criteria for that one definition, those five points.

24 MR. ADLEY:

25 Got you. Okay.



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1 MS. CLAPINSKI:

2 So I made it clear there that

3 "Maintenance capital, environmentally required capital

4 upgrades and replacement parts, except those

5 replacements required in the rehabilitation or

6 restoration of an establishment" are not qualified as an

7 addition to manufacturing establishment. So the first

8 step in getting this exemption is you have to be a new

9 establishment or an addition to. So by clearly putting

10 in here that those types of things are not eligible as

11 an addition, I think it takes away your concern that you

12 had in other parts of the rules that we're no better off

13 than desks and paperclips and all of that stuff would we

14 excluded. So specifically excluding that definition, I

15 think it takes it out of the realm of the program

16 entirely.

17 MR. ADLEY:

18 Okay.

19 MS. CLAPINSKI:

20 Okay. There's a small change in the

21 definition of "Beginning of construction" to take out

22 the term "facility" to use the term "manufacturing

23 establishment." So that that definition, as it's

24 defined earlier, can carry through the rules. So you'll

25 see that a bunch of different places where "facility" is



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1 changed to "manufacturing establishment."

2 MR. ADLEY:

3 Now, let me ask you, the word
4 "establishment" has been in the rules before, has it
5 not? That's not a new word.

6 MS. CLAPINSKI:

7 No, sir. It's in the -- well, it's been
8 in the rules, but it's also in the constitution, the
9 term is there.

10 MR. ADLEY:

11 I need to ask this question. I asked it
12 at the last meeting. When you have something like we
13 had at the last meeting where we had an applicant
14 applying for ITEP and the manufacture was occurring in a
15 truck, how do we get that back to establishment?

16 MS. CLAPINSKI:

17 I'm sorry. What do you mean that
18 happening in a truck?

19 MR. ADLEY:

20 In a truck. Baker Oilfield, I remember
21 they had one at their frack trucks where they mix sand
22 and chemicals together and they go frack wells and the
23 manufacturing was all inside a truck. And so I noticed
24 the word "establishment" this week when I was reading
25 it. It caught my attention for that reason, and I'm



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1 trying to figure out how we got beyond "establishment"
2 to allow that. That's what I'm trying to figure out.

3 MS. CLAPINSKI:

4 I think it's all of the assets on a
5 site, and there's a definition for site that is part of
6 the manufacturing process, so it's on the site. I think
7 that would be --

8 MR. WINDHAM:

9 Mr. Adley?

10 MR. ADLEY:

11 I'm sorry. Go ahead. Push you button,
12 Steve.

13 MR. WINDHAM:

14 I think there's some confusion in what
15 occurs at that facility. They make the product at the
16 facility, then they put them on the truck and provide a
17 service out in the field.

18 MR. ADLEY:

19 No. The manufacturing is in the truck
20 and tanks. It's not manufacturing in the facility. The
21 way it works is you carry various pieces of chemical,
22 sand so forth and it's either put in trucks or tanks on
23 site, mixed on the well site, injected into the well.

24 MR. WINDHAM:

25 I don't think that's qualified for



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1 manufacturing exemptions.

2 MR. ADLEY:

3 Well, it was on my list this last week.
4 I'm just curious how we get there.

5 MS. CLAPINSKI:

6 He represents -- would you like Jessie,
7 who represents Baker Hughes, I'll let him explain.

8 MR. ADLEY:

9 Yeah, please.

10 MR. BRODERICK:

11 Yeah. I didn't do a very good job of
12 explaining previously.

13 The rules that's currently in place do
14 not allow any items that leave the site as eligible for
15 the exemption, so there are no trucks, there are no
16 tanks included in the exemption that leave the site.
17 The manufacturing that occurs at this site is they're
18 manufacturing liquid mud and certain cements, and it's
19 not like you think where they just mix water and you mix
20 a chemical. That's not what's happening. There are 100
21 different chemicals on site and they actually have to
22 take these chemicals and they make batch of mud on site
23 using the tanks that are there and don't leave the site.

24 Once that chemical goes into a truck and
25 leaves the site, those items that leave the site are not



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1 included. It's only the equipment that's used to
2 manufacture the mud at the site that is included in the
3 exemption.

4 MR. ADLEY:

5 I got that.

6 MR. BRODERICK:

7 So that was just a misunderstanding.

8 MR. ADLEY:

9 So does that apply to the cement
10 company, too?

11 MR. BRODERICK:

12 Cement's different. I can't speak to
13 cement, but in their case, they are making a batch of
14 mud and cement specific to the want. Depends on the
15 temperature, the pressure, the formation of the well.
16 If the engineer says, "Hey, this is the specifics for
17 this mud we need," they call it into the site -- and
18 this site could be located in Texas. Doesn't have to be
19 in Louisiana. They call it into the site; they
20 manufacture mud; put it in the trucks and then ship it
21 to the well.

22 MR. ADLEY:

23 I got it.

24 MR. BRODERICK:

25 So sorry for any misunderstanding.



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1 MR. ADLEY:

2 Just so you know that I've drilled over
3 100 wells for myself. I've hired you guys before, and
4 I've got a pretty good idea of what does go on. I do
5 know it's not an ad valorem exemption for everything
6 that's on site. I just never viewed that as
7 manufacturing. That's all. I just never thought that
8 was manufacturing.

9 MR. BRODERICK:

10 I can appreciate that, but -- and
11 blending has been considering manufacturing by the
12 department in the past, and this is more than blending,
13 but blending has been considered.

14 MR. ADLEY:

15 But the word that applies to you then is
16 "blending," the key word?

17 MR. BRODERICK:

18 Not necessarily. The key word, I would
19 think, would be manufacturing mud product, manufacturing
20 a product.

21 MR. ADLEY:

22 Okay.

23 MR. BRODERICK:

24 Because it's not just taking two
25 chemicals and mixing them. There are multiple chemicals



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1 involved and each batch is different.

2 MR. ADLEY:

3 Thank you.

4 MR. HOUSE:

5 Senator Adley, under the definition that
6 we have in here, which comes from the latest
7 jurisprudence on this matter and historic jurisprudence,
8 the last sentence provides "The resulting products must
9 be suitable for use as manufactured products that are
10 placed in commerce for sale or sold for use as a
11 component for other product to be placed -- and placed
12 into commerce for sale." So you'll have to consider
13 that aspect as well in connection with any of those
14 matters.

15 And I would also add that there's still
16 some room for the judgment of the members of the Board
17 as to whether or not something does or does not fall
18 within the definition of manufacturing. That's why we
19 have a Board.

20 MR. ADLEY:

21 Okay. Thank you.

22 MS. CLAPINSKI:

23 Okay. The next change is to the
24 definition of "capital expenditure," where I, again,
25 clarified "the cost associated with a new manufacturing



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1 establishment or an addition to an existing
2 manufacturing establishment," again, to tie back to that
3 definition of "addition to a manufacturing
4 establishment" to exclude those items that there was a
5 concern with already.

6 There have been a small change to the
7 definition of "integral" where I've added "essentially
8 or fundamentally required" because you wanted that
9 definition to have a little more teeth.

10 There's a definition added for "jobs"
11 since there will be a job requirement, and that
12 definition, for the most part, follows the definition
13 the department uses for other programs or CEAs. And --

14 MR. WINDHAM:

15 Can I ask a question in here, Mr. Adley?

16 In here where you've got "capital
17 expenditures," it says "including the purchasing or
18 improving real property." Real property is never
19 availed the opportunity for exemption because it's not
20 capitalized?

21 MS. CLAPINSKI:

22 No. Then it would be improvement.

23 MR. WINDHAM:

24 An improvement. Should we take out "the
25 purchasing"?



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1 MS. CLAPINSKI:

2 Sure.

3 MR. WINDHAM:

4 Thank you.

5 MR. ADLEY:

6 Okay. Like I said -- tell me, before we
7 move, tell me what you mean when you say "real
8 property."

9 MS. CLAPINSKI:

10 Land.

11 MR. ADLEY:

12 Oh, just raw land?

13 MR. WINDHAM:

14 Land or building. As I appreciate it,
15 when you buy a building, the building is real property,
16 and if you make some improvements on it, if you put in a
17 new air conditioning system, you may capitalize the new
18 air conditioning system, but you're not going to
19 capitalize the building.

20 MR. ADLEY:

21 Okay thanks.

22 MS. CLAPINSKI:

23 Okay. As I mentioned before, there's a
24 definition of job, and that's been added.

25 MR. WINDHAM:



1 Can I do one more thing, one more
2 question?

3 MS. CLAPINSKI:

4 Sure.

5 MR. WINDHAM:

6 When you have in here "other tangible
7 property," should it be "tangible personal property."

8 MS. CLAPINSKI:

9 It can be. Sure.

10 MR. WINDHAM:

11 Would that clarify it?

12 MR. ADLEY:

13 So tell me exactly what you think we're
14 doing with this conversation. I want to make sure where
15 we're headed at the time. Are we making -- are you
16 proposing changes here or are you just asking questions?

17 MR. WINDHAM:

18 I guess on the piece -- the two comments
19 that I had in there, the purchasing of real property is
20 never available for exemption, so it should either be
21 excluded or not included in this definition.

22 MS. CLAPINSKI:

23 That can be reflected in another --

24 MR. ADLEY:

25 Include it. It's not included today; is



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1 that my understanding?

2 MS. CLAPINSKI:

3 I think today it is included and that
4 would -- I'm sorry. Purchasing is included, which he's
5 saying it needs to come out, and right now it says
6 "tangible property," and the recommendation is to say
7 "tangible personal property"; correct?

8 MR. WINDHAM:

9 Correct. I don't know if there's a
10 difference. Tangible property/tangible personal
11 property. When I was tax auditor, there was.

12 MR. ADLEY:

13 It was.

14 MS. CLAPINSKI:

15 I will look into it and have an answer
16 for next time.

17 MR. WINDHAM:

18 It's just suggestion on that.

19 MR. ADLEY:

20 I know. I agree with him that one might
21 come out. I'm confused between tangible and personal or
22 not. I'm not quite sure I'm following that, but...

23 MR. WINDHAM:

24 I think it's something Mrs. Clapinski
25 can look into.



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1 MS. CLAPINSKI:

2 Absolutely.

3 MR. WINDHAM:

4 Tangible personal property versus
5 tangible property, are they the same?

6 MR. HOUSE:

7 And what is originally in the tax rules.

8 MS. CLAPINSKI:

9 Sure.

10 MR. WINDHAM:

11 Thank you.

12 MS. CLAPINSKI:

13 Let's see. So there's the definition of
14 "jobs." And "liquids," that was added. There's a
15 definition of "wage" that's added, which basically
16 reflects that it's income as reported on Box 1.

17 MR. ADLEY:

18 Hold on one minute. Robby Miller will
19 want to clarify something on the jobs.

20 MS. CLAPINSKI:

21 Sure.

22 MR. MILLER:

23 You have on Number 4, "Employed directly
24 through contract laborer." Is that where the
25 manufacturer, ABC Company, has 300 ABC employees and



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1 1,500 contractors that go to work every day all day.

2 MS. CLAPINSKI:

3 Absolutely. There's a long-term
4 contractor laborer that, you know, basically they're
5 permanent job --

6 MR. MILLER:

7 Are those currently, whenever someone
8 talks about a job, are those counted?

9 MS. CLAPINSKI:

10 Currently there is no job requirement.

11 MR. MILLER:

12 In ITEP, yeah.

13 MS. CLAPINSKI:

14 In our CEAs, we do allow for contract
15 labor to be included. This is long-term contract labor
16 at the facility, yes. So this would just be mirroring
17 that same eligibility.

18 MR. MILLER:

19 So that we can evaluate the number of
20 jobs this project creates?

21 MS. CLAPINSKI:

22 That's correct. And we'll be able to
23 break down the things your asking, contract labor, if
24 that's needed at the time.

25 MR. ADLEY:



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1 Let me ask you, on the jobs, is there a
2 reason for the 30 hours? What is that?

3 MS. CLAPINSKI:

4 That's full time.

5 MR. ADLEY:

6 That's full time, the 30?

7 MS. CLAPINSKI:

8 Yes, sir. So they have to, you know,
9 provide benefits, potentially, and other things if
10 you're a full-time employee.

11 MR. ADLEY:

12 Once you hit 30 is what you're saying?

13 I guess this is a good place to ask,
14 does anywhere in the rules or in the department, how do
15 you do the ROI? How you do the return on investment
16 when you're analyzing someone that's, say, coming into
17 the state? Is there a guideline on that or is there
18 something?

19 MR. PIERSON:

20 I'll be happy to address that.

21 Essentially we do a very careful
22 evaluation using software and we will take the number of
23 jobs and the term that the applicant wishes us to
24 consider; they're going to maintain 100 jobs for a year,
25 three years, five years, the capital investment to be



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MEETING MINUTES

1 made, the wage associated with that job with all
2 benefits removed, no 401, no health, what I call the
3 naked wage for those employees. Then we will also
4 utilize where that facility will be located by parish.
5 We also utilize the National Industrial Code System as
6 to what type of jobs so that we may cross reference that
7 indeed it is manufacturing classification, and with
8 that, there's an associated multiplier that varies by
9 industry that is also considered in the model.

10 MR. ADLEY:

11 I assume all of that is when you're
12 looking at new facility that's looking to locate here in
13 Louisiana?

14 SECRETARY PIERSON:

15 That's correct.

16 MR. ADLEY:

17 And I assume that it would be easy
18 enough to apply that back to anyone applying for ITEP.
19 And the reason I ask the question, there's been nothing
20 in the rules to require jobs before, so I assume that
21 really hasn't helped, and if we're going to tie it back
22 to jobs, it appears to me you can take that model and
23 use it inside the ITEP rules to at least give some ROI
24 report to the Board whenever these things come up. Is
25 that possible?



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1 SECRETARY PIERSON:

2 Possible given all of the resources
3 needed against maybe 800 or more contracts per year. I
4 don't know that we have that many that are actually
5 ITEPs, so the word's "possible." It's done for our
6 major projects today, but if it's a project that's got
7 five jobs and a \$20,000 investment, typically we don't
8 run an ROI of that nature.

9 MR. ADLEY:

10 No. I got it. It just threw me off
11 when you said it was a software, I just figured it was a
12 matter of sticking in the numbers and the software would
13 spit it out for you and it will give you the result.

14 I bring this up because at our last
15 meeting we had, it was one application I remember that
16 was \$12-million and 12 jobs. That's a million dollars a
17 job, and I can quickly sit down and try to calculate how
18 long it takes to break even in that employee, those
19 employees spending the million dollars per job, and I
20 would ask you if you would apply to that moving back
21 around through the economy to try to find some ROI. So
22 I'm just trying to figure out if you had something in
23 place and if it was purely software, could we use it?

24 SECRETARY PIERSON:

25 Well, we're doing that today and we'll



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1 be happy to walk you through the model. We've done that
2 recently for Dr. Richardson and Dr. Auld, who's on our
3 agenda. But what I would say, when you say 12 jobs and
4 \$12-million, that \$12-million investment is likely a
5 30-year investment, and when you're talking about a
6 \$12-million exemption over 10 years, you've only
7 captured a portion of the time that those jobs will be
8 available in the community. And, perhaps, with a strong
9 multiplier, it's far more than 12 jobs. Perhaps that's
10 36 or 50 jobs. Who knows. It would go by industry.

11 MR. ADLEY:

12 I'm going to be Devil's advocate for a
13 minute and tell you that I can easily calculate it. As
14 I said, it's a million dollars per job and apply a six
15 percent income tax rate or six percent sales tax rate,
16 knowing that money's going to be spent, how much money
17 does that employee have to make to recover the
18 investment of the 12-million, and each one of those
19 employees would have to earn \$16-million.

20 SECRETARY PIERSON:

21 No. That would be on a 10-year term,
22 but that investment is not designed to be there for 10
23 years. That's the onsite and payroll coming in for 30
24 years.

25 MR. ADLEY:



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1 I got that. I'm not trying to argue
2 with you, Mr. Secretary. I'm telling you, in a
3 lifetime, not 10 years, you're going to get back
4 \$16-million dollars.

5 SECRETARY PIERSON:

6 I'll invite you to an opportunity to see
7 our calculations.

8 MR. ADLEY:

9 I'd like to see that because I think at
10 some point you probably ought to address that. If we're
11 going to legitimately start looking at the job, one of
12 the things that would be helpful, if we can get to some
13 rate of return and be able to establish that, I think it
14 would help you and I think it would help everybody else.

15 SECRETARY PIERSON:

16 I'll be glad to do that.

17 MR. ADLEY:

18 Before we leave the definition here,
19 when you get to "maintenance capital," we had no
20 definition for maintenance. We had maintenance capital.
21 Is that maintenance capital designed to be your
22 definition of maintenance?

23 MS. CLAPINSKI:

24 Yes, sir. It's designed to carve out
25 what would not be eligible, which would be the cost



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1 incurred, as it's defined here, to bring an asset back
2 to an earlier condition or keep an asset operating at
3 its present condition. So if it required a motor and
4 that motor broke and you put in a new motor, that cost
5 keeps it operating at its current capacity, that would
6 be ineligible for the ITEP program.

7 MR. ADLEY:

8 Okay. Thank you. We can pick it up,
9 then, back on your jobs. I'm sorry.

10 MS. CLAPINSKI:

11 That's okay.

12 So there's a definition of "jobs."
13 There's a definition of "wage," as I mentioned before.
14 There's some minor changes, just wording changes, in
15 other places.

16 If you look under 503, "Advanced
17 Notification Application," D(1)(i), there was a
18 discussion of the term "clawback provisions" for the
19 Exhibit A, so that was changed to "penalty provisions
20 for failure to create the requisite number of jobs or
21 payroll," and we added, "including, but not limited to,
22 a reduction in term, a reduction in percentage of
23 exemption, or termination of the exemption" as examples
24 of types of penalty provisions that may include.

25 MR. ADLEY:



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MEETING MINUTES

1 Tell me exactly where you are now.

2 MS. CLAPINSKI:

3 I'm in 503(D)(1)(a) four little i's or
4 4.

5 MR. HOUSE:

6 (iv).

7 MS. CLAPINSKI:

8 (iv). Sorry.

9 MR. ADLEY:

10 Say it again. 503.

11 MS. CLAPINSKI:

12 503(D)(1)(a)(iv).

13 MR. MILLER:

14 Roman numeral.

15 MR. ADLEY:

16 Number of jobs, payroll?

17 MS. CLAPINSKI:

18 Yes.

19 In 503(D)(2)(a), there was a request at
20 the last meeting to change that "may" to "shall," so
21 that's been done.

22 MR. ADLEY:

23 Let me ask you, at the very beginning of

24 D --

25 MS. CLAPINSKI:



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MEETING MINUTES

1 Yes, sir.

2 MR. ADLEY:

3 This gets back to the issue that we ran
4 into at the last meeting. "In order to receive the
5 Board and Governor's approval," I think the Governor's
6 office probably believes that this is the Board and not
7 the Governor.

8 MS. CLAPINSKI:

9 That's fine. I'll take that.

10 MR. ADLEY:

11 As I suggested last meeting.

12 MS. CLAPINSKI:

13 Okay.

14 MR. WINDHAM:

15 And applications with advanced notices
16 filed after June 24, '16, the question keeps coming up,
17 these rules aren't going to be adopted until sometime in
18 2017, so, at that point, we should expect to still be
19 seeing applications that came in prior to the 24th?

20 MS. CLAPINSKI:

21 Well, you know, your project periods
22 could be a lengthy period of time and they file an
23 advance prior to the beginning of that project, so if
24 they filed an advance in January of 2016 and it's got a
25 two-year build time, we won't see that advance until



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MEETING MINUTES

1 sometime in 2018.

2 MR. HOUSE:

3 Application.

4 MS. CLAPINSKI:

5 The application. I'm sorry. We won't
6 see the application until sometime in 2018. So there
7 is, yes, absolutely, the possibility of that when using
8 that advanced date as your starting point, there will be
9 some that needs to be on --

10 MR. ADLEY:

11 But it's an advanced notice. You would
12 have seen it; you know what's going on. This is not an
13 MCA. It's a --

14 MS. CLAPINSKI:

15 Correct. Yes, sir. The department is
16 aware of it. It's the Board's first opportunity to act
17 on it in the application stage, and that could be
18 further to the future beyond the final rule effective
19 date.

20 MR. ADLEY:

21 Okay. Thank you.

22 Now, the discussion that came up here --
23 we're in the Exhibit A and B?

24 MS. CLAPINSKI:

25 Yes, sir.



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MEETING MINUTES

1 MR. ADLEY:

2 As I remember from our last meeting, the
3 question that came up, shouldn't these two exhibits be
4 reversed? In other words, the local approval being
5 first and B being second. I'm not for sure whether what
6 difference it makes, but I know there was a lot of
7 discussion at our last meeting about doing that.

8 MS. CLAPINSKI:

9 I think that as it's listed in the
10 executive order it's just that there must be an Exhibit
11 A and an Exhibit B attached. That doesn't necessarily
12 mean that A has to come before B or B has to come before
13 A.

14 MR. ADLEY:

15 They both just have to be there?

16 MS. CLAPINSKI:

17 They just both have to be there, yes,
18 sir.

19 SECRETARY PIERSON:

20 Mr. Chairman, to speak to that point,
21 you would want A to be first because you would want to
22 identify the terms. Then you would go to the local
23 governing authorities for ratification of those terms.
24 You couldn't go to the governing authorities first and
25 ask for a blank check. They would question you as to



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1 what are the exact terms that you're asking us to agree
2 to, and you need those specified per Exhibit A.

3 MR. ADLEY:

4 Okay.

5 MS. CLAPINSKI:

6 Okay. As I mentioned earlier, in
7 (D)(2)(a), there was a suggestion to change the "may" to
8 "shall." That's been done.

9 In (D)(4), there was some discussion
10 about what happens when Exhibit A and Exhibit B are not
11 in agreement. Hopefully, like Secretary Pierson said,
12 that doesn't happen because the terms will be set out,
13 but it was discussed that perhaps we needed some
14 language to say that if A and B were inconsistent, B was
15 controlling.

16 MR. ADLEY:

17 Let's -- before you move from that. I
18 got that. I think that's an excellent change.

19 Right above that under, it would be
20 (2)(a)(iii)(c), I guess.

21 MS. CLAPINSKI:

22 Yes, sir.

23 MR. ADLEY:

24 Just looking over my notes, there's a
25 possibility that when we do all of this that the local



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1 governments can enter into the PILOT program, a payment
2 in lieu of taxes. Do the rules make any reference to
3 the PILOT programs at all?

4 MS. CLAPINSKI:

5 No, sir, because PILOT programs would
6 never make it to the Board as part of this process.

7 MR. ADLEY:

8 Okay.

9 MR. HOUSE:

10 With respect to 4, unless -- what I
11 would ask each member of the Board to consider, because
12 I go back and forth on whether this is a good idea or
13 not, the Governor's executive order seeks and the Board
14 seeks local participation, and you're getting that in
15 Exhibit B. What you're doing in 4 is that if local
16 participation decides that the terms and conditions of
17 an agreement should provide, for example, for more of an
18 exemption than the Board may be willing to grant, then
19 the local would, in fact, that would prevail, that
20 determination would prevail, so you are ceding your
21 jurisdiction. Whether or not in a particular instance
22 you would be ceding, unlawfully ceding, your
23 constitutional authority, I can't tell you. I think
24 that is an issue, but on a practical matter --

25 MR. ADLEY:



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1 Say that again. I want to follow that.

2 MR. HOUSE:

3 Well, under the constitution, you're
4 charged with determining whether or not an exemption is
5 or is not granted under the ITEP program, so if you are
6 letting the local determination, in other words, a
7 difference in Exhibit B from Exhibit A, if you're
8 letting that prevail, if you're saying right now that's
9 going to prevail in every instance and you're saying
10 that in your rules, then there could be an argument made
11 that you have ceded your constitutional authority.
12 You're not just getting input from the locals and going
13 forward or getting their approval to go forward. You're
14 actually letting them set, perhaps, a higher exemption.
15 They could come back -- Exhibit A could have 80 percent
16 in it, Exhibit B could say 100 percent, and if you adopt
17 this, then you would be adopting the 100 percent. So
18 you would, in those instances, be ceding your authority
19 to a local jurisdiction. That may or may not be
20 permitted by the constitution. It's just something you
21 have to consider in that regard. You also have to
22 consider it with respect to whether or not you want to
23 do that as a Board and leave that determination, under
24 certain circumstances, that determination would go to
25 the locals. You wouldn't have it anymore because it's



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1 in your rules and you've ceded that authority.

2 So the latter thing that I'm talking
3 about I think is more of your concern as a matter of
4 policy, and as members of the Board. The former thing,
5 which means -- which is a potential legal challenge is
6 there. I can't tell you whether it would win or not.
7 I'd give it less than a 50 percent chance.

8 MR. ADLEY:

9 There's no such thing as a good lawsuit
10 ever. I don't care what you got.

11 MR. HOUSE:

12 I agree with you.

13 MR. ADLEY:

14 Let me ask you this question: Under the
15 constitution, how does this Board -- what does it say
16 granting to the Board the right to set up the rules and
17 so forth? What does the constitution say? I know what
18 it says about manufacturing. What does it say about the
19 Board and its authority?

20 MR. HOUSE:

21 Well, the Board and Governor. The Board
22 grants the exemptions with the approval of the Governor
23 in the best interest of the people of Louisiana, and so,
24 again, like I said, I think your primary concern is
25 whether or not you want to cede in, maybe in a very rare



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1 instance, that you're still doing it here. You're still
2 ceding that authority to a local board. So that, to me,
3 should be your primary concern as members of the Board.
4 If you think it's the right thing to do and want to do
5 it, do it. I'm just telling you what the consequences
6 are because --

7 MR. ADLEY:

8 No. I hear what you're saying about
9 giving up your authority, but based on what you just
10 said the constitution says, I think the Board has got a
11 latitude of doing pretty much what they want to do, it
12 sounds like. Am I wrong about that?

13 MS. CLAPINSKI:

14 And the constitution does grant the
15 Board the authority to promulgate rules per this
16 program.

17 MR. HOUSE:

18 Yes. Like I said, the challenge to it,
19 to me, whether there's a legal challenge to it is
20 irrelevant. I think you've got to whether it's good
21 policy or not. If you do that's fine; that's good. If
22 you don't or whatever, that would be your primary
23 concern.

24 MR. ADLEY:

25 Mr. Windham.



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1 MR. WINDHAM:

2 One question that I have in my mind is,
3 even though it says in here who the local authorities
4 are, is there a point person with the local that would
5 be point of contact? Should there be? If there's going
6 to be a rule that says that the parish president is the
7 one who will give or provide or --

8 MS. CLAPINSKI:

9 I think it requires the approval of all
10 five. At this point, there's --

11 MR. ADLEY:

12 I think it requires a resolution of
13 all --

14 MS. CLAPINSKI:

15 Or four.

16 MR. WINDHAM:

17 So they would all be separate
18 resolutions?

19 MR. HOUSE:

20 Yeah, and I think each of those
21 resolutions would have to say we want to give them 100
22 percent exemption and you may be in a situation where
23 there's a contract that only says 80 percent exemption
24 and then under this language, you'd be adopting the 100
25 percent, but they may be very rare.



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MEETING MINUTES

1 MR. WINDHAM:

2 Right.

3 MR. HOUSE:

4 But you are asking, you're asking for
5 disagreement by putting in this there. Asking for a
6 disagreement generally isn't a wise thing to do.

7 MR. WINDHAM:

8 So I guess exhibit-wise, those three
9 documents would make up Exhibit B.

10 MS. CLAPINSKI:

11 Correct.

12 MR. HOUSE:

13 You would have --

14 MS. CLAPINSKI:

15 Four.

16 MR. HOUSE:

17 And a letter from the sheriff.

18 MR. ADLEY:

19 It's amazing that when I read the
20 Preamble, it says there are two things we wanted to do.
21 We want to create jobs and we want the local
22 involvement, and as we move back to the back, now we're
23 in conflict with our Preamble. I think we'll take it,
24 Richard, keep studying it and try to figure out, but I
25 think the Board can do with the rules as it likes.



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1 MR. MILLER:

2 Thank you.

3 MS. CLAPINSKI:

4 In 503(E)(2)(a), there was discussion to
5 take out "keep manufacturing establishment or unit in
6 the state" and just change it, "to prevent relocation to
7 another state or country." That change was made.

8 There was some concern in (E)(2)(c)
9 about using the term "cutting edge." It's been replaced
10 with "innovative and state of the art." I don't know if
11 that's any better.

12 MR. ADLEY:

13 Tell me exactly where you are again.
14 I'm trying to see where you are. You're on little e
15 where you're at?

16 MS. CLAPINSKI:

17 I'm 503(E)(2)(c).

18 MR. ADLEY:

19 Yep. Little c. I don't know what that
20 means.

21 MS. CLAPINSKI:

22 I think it's, you know, new to the
23 industry and that type of thing, I think is generally
24 what state of the art --

25 MR. ADLEY:



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1 Did we recommend that being put in?
2 Where did that come from?

3 MS. CLAPINSKI:

4 Just tried to find what I thought was
5 just a little more clarifying. Maybe it's not. We can
6 back and add some other language in there. If anyone
7 has any suggestions on what to put there, I'll be happy
8 take it.

9 MR. HOUSE:

10 There may be some similar language or
11 some similar in the retention and --

12 MR. ADLEY:

13 I'll ask you to look very carefully at
14 that one. I mean, that's -- I don't have a clue what
15 that means.

16 MR. WINDHAM:

17 Mr. Adley?

18 MR. ADLEY:

19 Mr. Windham.

20 MR. WINDHAM:

21 Would that be moving from an analog
22 world to a digital world, state-of-the-art digital world
23 versus analog where you, you know, you got to go out and
24 turn dials in order to have something occur?

25 MR. HOUSE:



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1 Yes. Those are ultimate goals of
2 economic development in an investment. And, like I say,
3 I think this comes from language that we've used often
4 in connection with retention and modernization with
5 projects over the years.

6 MR. WINDHAM:

7 Thank you.

8 MR. ADLEY:

9 I hate to sound old. When you went from
10 rough paper to slick paper was enough for me. I didn't
11 need the rest of it. The fax machine was the greatest
12 thing ever came along. We certainly didn't need anymore
13 than that.

14 I think that's the point that what one
15 of us view as one thing, another does not necessarily
16 view it that way, and when you're not very clear about
17 it, that's when you create a problem.

18 MS. CLAPINSKI:

19 Sure. I will point out, too, that all
20 of that under 2 are factors that may be considered when
21 determining if there's a compelling reason for the
22 retention of jobs. So this in and of itself in the
23 language as used here does not require the Board to do
24 anything. It's just, I think, I'm giving parameters
25 under which you may consider whether it's a compelling



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1 reason.

2 MR. ADLEY:

3 Mr. Miller.

4 MR. MILLER:

5 Or examples of what would be considered
6 upgrades or to retain those jobs.

7 But, I'm sorry, I can't go along with
8 you being a computer science grad and an IT guy. I
9 think e-mail and whatever is coming next is going to be
10 even better.

11 MR. HOUSE:

12 And I would say that the rules in
13 general have their -- you may view them as ambiguous or
14 whatever you want to, but there's a reason to do that.
15 If you want to tie your hands in connection with making
16 decisions, then add more rules. If you -- and it seems
17 to me like that may not be what you want to do, but if
18 you do want to do that, add more rules, let's make them
19 a lot or specific. Then you won't have any judgment at
20 all. Although, sooner or later, you'll find that there
21 are enough lawyers around, you'll have some judgment
22 anyway. But I do think that you're trying to lay out
23 some general principles here on which this Board can
24 operate with goals to the future as to what we want to
25 do in what is a major reform of state government that



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1 the Board is -- the Governor and the Board and the
2 Department of Economic Development are undertaking.

3 MS. CLAPINSKI:

4 Okay. And 503(H), I believe, there was
5 the rule of the 10-year language in reference to the
6 term.

7 MR. ADLEY:

8 And I just guess there's a reason for
9 that, that now we put no term. Should five be there, or
10 is there a reason why we just leave no term?

11 MS. CLAPINSKI:

12 I think -- I don't think necessarily
13 five should be there. It just says the term of the
14 exemption available under the -- the constitution --

15 MR. ADLEY:

16 The reason I'm asking is for many years,
17 y'all had the 10.

18 MS. CLAPINSKI:

19 Right.

20 MR. ADLEY:

21 And so why would there even be 10?

22 MR. PIERSON:

23 Mr. Chairman?

24 MR. ADLEY:

25 Why would you have it there to begin



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1 with? That's what I'm trying to figure out.

2 You have to push your button now. You
3 can't raise hands. You've got to push your button, Mr.
4 Pierson.

5 SECRETARY PIERSON:

6 So by not being specific here, we can
7 back into and be in conformance with Exhibit A. The
8 term will be negotiated as part of the cooperative
9 endeavor agreement with the community. So to maybe to
10 say not to exceed 10 is a possibility.

11 MR. ADLEY:

12 I got that.

13 SECRETARY PIERSON:

14 But I don't think we need to say it's
15 one or four.

16 MR. ADLEY:

17 That makes sense. I get that. I do.
18 Thank you.

19 Yes, ma'am.

20 MS. CLAPINSKI:

21 Okay. In 505(A), there were some
22 concerns about --

23 MR. ADLEY:

24 Wait a minute. Now, you just -- H.

25 MS. CLAPINSKI:



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1 Oh, I'm sorry. J is just some changes,
2 and actually there should be a change that's not on
3 here. We took out whether the applicant meets. It's
4 really whether the activities meet, the activities at
5 the site, meet the constitutional definition of, it
6 should be, manufacturing, not of manufacturing
7 establishment. So I'll make that change, but that's
8 just to clarify --

9 MR. ADLEY:

10 So you take out the constitutional
11 definition and use the definitions in these rules?

12 MS. CLAPINSKI:

13 No, sir. I'm not taking out anything
14 about the constitutional defini- -- well...

15 MR. MILLER:

16 Just establishment?

17 MS. CLAPINSKI:

18 Just the manufacturing --

19 MR. ADLEY:

20 I'm at J. Are you in J?

21 MS. CLAPINSKI:

22 Yes, sir.

23 MR. ADLEY:

24 Okay. "Including whether the activities
25 at the site meet the constitutional definition of



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1 manufacturing establishment."

2 MS. CLAPINSKI:

3 Well, the activities aren't a
4 manufacturing establishment, so it either has to be
5 whether the site --

6 MR. ADLEY:

7 Here's where I'm coming from.

8 MS. CLAPINSKI:

9 Yes, sir.

10 MR. ADLEY:

11 Early on in the definition, you define
12 manufacturing.

13 MS. CLAPINSKI:

14 Correct.

15 MR. ADLEY:

16 There are two different definitions
17 between this definition and what's in the constitution.

18 MS. CLAPINSKI:

19 The constitution defines the term
20 "manufacturing establishment," so the facility itself.
21 The definition in our rules defines "manufacturing" as
22 an activity. That definition is based almost entirely
23 on the constitutional definition of "manufacturing
24 establishment" as it was interpreted by a court case. I
25 think really the only thing that it tweaks is it talks



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1 about -- where's the sale?

2 MR. HOUSE:

3 Has to be for sale.

4 MS. CLAPINSKI:

5 I'm sorry. "For sale or uses another
6 component for products placed for sale."

7 MR. ADLEY:

8 So I fully understand the constitution
9 deals with establishment.

10 MS. CLAPINSKI:

11 Manufacturing establishment.

12 MR. ADLEY:

13 Not definition of establishment, so any
14 definition we want to apply for manufacturing is
15 possible?

16 MS. CLAPINSKI:

17 Yes, sir, that's correct.

18 MR. ADLEY:

19 All right. Thank you.

20 MS. CLAPINSKI:

21 And, like I said, from a court case that
22 interpreted that constitution as well, the definition of
23 manufacturing.

24 MR. ADLEY:

25 Okay.



1 MS. CLAPINSKI:

2 Okay. Right. And that's a key element
3 to me in order to get the exemption under this program.

4 And 505 deals with miscellaneous capital
5 additions. Because of some of the language in the
6 Preamble or the Statement of Purpose, whatever we want
7 to call that, A was taken out because it dealt with
8 things prior to the executive order and they is had some
9 similar language in the 501 Statement of Purpose, so
10 that was removed.

11 And then we left what was the B and C as
12 A and B that talks about, you know, B basically says it
13 tracks the language of the executive order, which says
14 that MCAs with pending contractual applications on June
15 24, 2016 and which provide for new jobs shall be
16 considered by the Board, which I think is pretty much
17 entirely from the executive order. And then B just
18 states that if they did not have a pending contractual
19 application as of that date and didn't -- I'm sorry. If
20 they had one, but did not provide for job, they're not
21 eligible for the exemption, which I think is, again,
22 tracking the language the executive order, but just
23 giving some clarity to the MCA category of applications.

24 MR. ADLEY:

25 Now you're at 507?



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MEETING MINUTES

1 MS. CLAPINSKI:

2 Yes, sir.

3 MR. WINDHAM:

4 Mr. Adley?

5 MR. ADLEY:

6 I'm sorry.

7 MR. WINDHAM:

8 So if there were MCAs that were
9 submitted prior to that date and they created jobs,
10 they're able to --

11 MS. CLAPINSKI:

12 They're able to be considered by the
13 Board.

14 MR. WINDHAM:

15 -- be considered by the Board?

16 MS. CLAPINSKI:

17 That's correct.

18 MR. WINDHAM:

19 Will the MCA applications that didn't
20 indicate jobs be availed the opportunity to be amended?

21 MS. CLAPINSKI:

22 I don't think that's --

23 MR. WINDHAM:

24 Because previously -- well, the reason I
25 ask that --



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1 MR. ADLEY:

2 Wait. I want to make sure. Say that
3 again. I want to hear that.

4 MR. WINDHAM:

5 What I'm asking, previously, the
6 applications didn't require that jobs be put on there.

7 MR. ADLEY:

8 Yes.

9 MR. WINDHAM:

10 So maybe the accounting department
11 didn't indicate there were new any jobs, they didn't
12 call out into the field, they just know that in their
13 accounting records, these expenditures were made, we can
14 apply for this program. We don't need to know about any
15 jobs, so we're not going to call anyone, so now we're
16 going to reject them and say, you know, you can't apply
17 for this --

18 MR. ADLEY:

19 Let me tell you what we've asked of
20 Mr. Pierson this past week. It's a very good point. It
21 came up in our meetings over on the fourth floor. We
22 actually called Don and asked him if there were a way --
23 because we deferred everything we had at the last
24 meeting -- is there a way now, in fairness, to contact
25 all of those people, give them the opportunity to get



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1 into compliance with the job requirement before they
2 come back up if what occurred, just what you just
3 described. We have asked as a courtesy from the
4 department for them to do that, to contact all of those
5 applicants, give them that opportunity before it comes
6 back to us again in case they did create jobs. And as
7 you mentioned, it was not required before, so they
8 didn't do it, but if they were creating jobs, we
9 certainly want to give them that opportunity to present.

10 MR. WINDHAM:

11 Okay. Thank you.

12 MS. CLAPINSKI:

13 Okay. We're in Section 507 now I think.
14 Let's see. That's just changing "establishments" to
15 "establishment."

16 MR. ADLEY:

17 Tell me again why we just deleted the
18 establishment off of that? Why did that happen?

19 MS. CLAPINSKI:

20 Well, I'd have to go back to -- because
21 we're comparing just one red line to another red line.
22 You have to ultimately go back to --

23 MR. ADLEY:

24 I know. I went three or four of them -
25 well, three of them we've got now.



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MEETING MINUTES

1 MS. CLAPINSKI:

2 Because we're getting rid in -- okay.
3 The current rule, 507(A), the current rules have a sort
4 of definition that is pretty much verbatim from the
5 constitution of manufacturing establishment, so we
6 removed that from this section, so there is no longer an
7 A, and so B becomes A.

8 MR. ADLEY:

9 Okay.

10 MS. CLAPINSKI:

11 I think you're talking about "shall
12 consider for tax exemption building and facilities used
13 in the operation of new" -- and maybe that should be --
14 it can stay establishments. I don't know if there was
15 any just sort of cleanup change. I don't think it --

16 MR. ADLEY:

17 I just know we deleted that for some
18 reason, but we make reference to it right below that.
19 That's what was confusing. I don't really understand
20 what that's about.

21 Let me get you to take a second to look
22 at that when you get back to the office.

23 MS. CLAPINSKI:

24 Okay. Sure.

25 MR. ADLEY:



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1 Because we reference it right below, so
2 I don't know if it's in or out. I can't remember. I
3 apologize.

4 MS. CLAPINSKI:

5 I'm sorry. Where is it referenced
6 right -- the one below where I take out "operations" and
7 I put in the term "establishment," that's because the
8 definitions that we have are for a manufacturing
9 establishment and that's where it excludes all those
10 items that you're concerned with and I want to make sure
11 we use the term as defined so that definition carries
12 itself through rules and you don't have anymore concerns
13 with that --

14 MR. ADLEY:

15 So the removal of A was to make sure
16 we're not in conflict of what we did over in the
17 definitions; is that --

18 MS. CLAPINSKI:

19 Well, the removal of A really is because
20 it's verbatim from the constitution that's already
21 there.

22 MR. ADLEY:

23 Oh, I remember now. We did remove it.

24 MS. CLAPINSKI:

25 And we defined manufacturing.



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MEETING MINUTES

1 MR. ADLEY:

2 We did remove it because we were
3 creating -- as you put it, it deals with the
4 establishment. We deal with the definition.

5 MS. CLAPINSKI:

6 Yes, sir, of the activity itself.

7 MR. ADLEY:

8 I got it. That's it. That's why it's
9 gone. It out to stay gone.

10 MS. CLAPINSKI:

11 Yes, sir, unless you tell me otherwise.

12 Okay. If you go down -- I'm trying to
13 compare both of these now. There's an addition -- you
14 had concerns on 507, depending on which version you're
15 looking at, well, now it's (A)(3).

16 MR. WINDHAM:

17 Are you in 509 or 507?

18 MS. CLAPINSKI:

19 I'm in 507.

20 MR. ADLEY:

21 507.

22 MS. CLAPINSKI:

23 There was concerns about the owners who
24 own the property but do not engage in manufacturing, and
25 there was a discussion that it should mirror the



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1 language...

2 MR. ADLEY:

3 Yeah. That discussion -- I remember it
4 now. That discussion was about the manufacturer comes
5 in, the manufacturer determines that instead of him
6 doing the work himself --

7 MS. CLAPINSKI:

8 Correct.

9 MR. ADLEY:

10 -- to complete his manufacturing
11 facility, hire somebody else.

12 MS. CLAPINSKI:

13 That's correct.

14 MR. ADLEY:

15 And this was an issue of if you're going
16 to do that, you come in, you get ITEP, then you go hire
17 the third-party, then you would have the obligation to
18 pay --

19 MS. CLAPINSKI:

20 Property tax.

21 MR. ADLEY:

22 -- the property tax.

23 MS. CLAPINSKI:

24 That's correct. So that language was
25 inserted there.



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MEETING MINUTES

1 MR. ADLEY:

2 Okay. Thank you.

3 MS. CLAPINSKI:

4 Yes, sir.

5 There's some other changes that just
6 change the term "facility" again to "establishment" to
7 stick with that carrying through of the definition of
8 manufacturing establishment throughout the rules.

9 Let's see.

10 MR. ADLEY:

11 What did we end up with the
12 establishment on the front office? Where do we deal
13 with all of that or did we?

14 MS. CLAPINSKI:

15 Well, I think that goes into 509, which
16 is "Integral Parts of the Manufacturing Operation," and
17 that was one of the things, I believe, at the last rules
18 committee you asked the members to take a look at for
19 discussion at this meeting as far as what activities
20 they would or would not consider integral to the
21 manufacturing establishment. So that's been left alone
22 from the previous version to this version for further
23 discussion, deletions, additions, whatever the rules
24 committee decided.

25 MR. WINDHAM:



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1 Now, I'm going to suggest and throw this
2 out for discussion as we move forward. I, for one, do
3 not believe sales is part of manufacturing, nor
4 transportation, and I certainly believe packaging could
5 be and quality control could be. The word "other
6 activities approved by the secretary" appears to be
7 extremely broad to me. So I know that was an interest
8 to Mr. Windham and I guess to Don. If y'all want to
9 make some comment on that.

10 MR. WINDHAM:

11 Certainly transportation is not really
12 defined in here. So transportation within the fence is
13 one thing.

14 MR. ADLEY:

15 Sorry. Say that again.

16 MR. WINDHAM:

17 Transportation within the fence line
18 could be a conveyor system that moves a product during
19 the assembly process from one end of the plant to
20 another. A crane, a regular conveyor system. If it's
21 an assembly facility in an automotive dealer situation,
22 they have a conveyor system that runs the entire length
23 of the operation. That is transportation.

24 MR. ADLEY:

25 We don't have a definition of



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1 transportation. In my world, that wouldn't be the
2 definition of transportation, but if you believe it is,
3 I think you need to find a better word. Transportation,
4 movement of trucks and vehicles, product through
5 pipelines and so forth, that's what transportation, at
6 least as I remember it as chairman of Transportation
7 Committee of Louisiana, that's the definition we have.

8 MR. WINDHAM:

9 Sure. I think you can say something
10 along the lines of export of goods to the marketplace,
11 transportation involving exporting goods to the
12 marketplace.

13 MR. ADLEY:

14 Now, and I view transportation as
15 meaning that, and I don't view that as part of the
16 manufacturing. That's just my view.

17 MR. WINDHAM:

18 Right.

19 MR. ADLEY:

20 I don't view that as a manufacturing
21 process.

22 MR. WINDHAM:

23 But, see, I see like forklift, for
24 instance, it transports the goods from one side of the
25 facility to the other side so that they can be packaged



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MEETING MINUTES

1 in that --

2 MR. ADLEY:

3 I don't think anyone has any objection
4 to anything that goes on inside the plant itself in the
5 process. Transportation could be clearly -- or sales is
6 cheery interpreted as things that go on outside of that
7 facility. I think that's where I personally run into an
8 issue with it.

9 MR. WINDHAM:

10 I guess one of the things with sales,
11 for instance, is things that can leave the facilities
12 are not veiled the opportunity for exemption, such as a
13 laptop; right?

14 MS. CLAPINSKI:

15 That's correct.

16 MR. WINDHAM:

17 No exemptions for laptops, but if you
18 have a mainframe computer that keeps your inventory, it
19 keeps the cost of goods sold, it keeps your entire
20 accounting system, it keeps up with the sales of the
21 products, that is integral to the process, to the
22 manufacturing, but it doesn't leave the facility.

23 MR. ADLEY:

24 I don't see how that relates to sales.
25 You've lost me there. I get the mainframe computer. I



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1 get that.

2 MR. WINDHAM:

3 I guess what I'm saying, if I'm sitting
4 in the establishment and I'm making phone calls because
5 of the nature of the product and I make sales to
6 Mr. House and then the system, I'll punch in the system
7 how much product gets delivered to Mr. House, that's
8 integral, that's sales. It's part of the process. It's
9 not --

10 MR. ADLEY:

11 I don't think -- you'll never convince
12 me that's part of the process of manufacturing. It's
13 not. What this gentleman just said where he's making
14 mud, that's not part of the process, and him making a
15 sales call is not part of the process of manufacturing
16 the mud. That's just what I think. The whole Board
17 would have to decide what you want to do.

18 MR. HOUSE:

19 Well, the definition of manufacturing --

20 MR. ADLEY:

21 I kind of doubt that the Governor's
22 office would even view that as part of the
23 manufacturing.

24 MR. WINDHAM:

25 I guess there are a few things on there.



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1 Transportation on the inside of the fence, we're good
2 with; right?

3 MR. ADLEY:

4 I think anything that goes on within the
5 facility that's part of the process is okay. I think if
6 you said -- if you tied whatever you're doing to part of
7 the process, I think you're okay, but I think if you
8 leave it open without tying it to the process, I think
9 it's a problem.

10 MS. CLAPINSKI:

11 And I think, as I stated last time, this
12 is in here because these are items that have in the past
13 been considered part of manufacturing that this rules
14 committee and then the full Board will need to make a
15 determination on, and these are here for your discussion
16 for discussion purposes. This is not my recommendation
17 one way or the other on any of these.

18 MR. ADLEY:

19 No. I got it.

20 MS. CLAPINSKI:

21 Yes, sir.

22 MR. ADLEY:

23 They're here because that's what's
24 always been here.

25 MR. WINDHAM:



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1 That's what I read in the minutes, too,
2 that there was discussion about that, so...

3 MR. ADLEY:

4 Mr. Pierson, did you have your button
5 pushed?

6 SECRETARY PIERSON:

7 I'll have to contemplate sales as
8 regards to Number 5, "other activities as approved by
9 the secretary and the Board." My opinion would be that
10 it can just stand. The reason is it's going to have two
11 tests, my test and the Board's test, so keeping in mind,
12 folks like Mr. Miller, that there are processes and
13 things that we have not yet envisioned that future
14 boards will have to consider, I think 5 can stand.

15 MR. ADLEY:

16 Got it.

17 MS. CLAPINSKI.

18 Okay.

19 MR. ADLEY:

20 Thank you.

21 MS. CLAPINSKI:

22 All right to move on?

23 MR. ADLEY:

24 Yes, ma'am.

25 MS. CLAPINSKI:



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1 Okay. In 511, there's, again, some
2 other changes from "manufacturing facility" to
3 "manufacturing establishment" or "an establishment" to
4 follow through with that definition.

5 In 513, what is now B, there was, I
6 believe, some discussion that if the manufacturing
7 establishment moves, that there needed to be some
8 blessing of the new local governing authorities where
9 the new location was to continue that exemption, so that
10 language has been added.

11 MR. ADLEY:

12 Where are you at?

13 MS. CLAPINSKI:

14 This is 513.

15 MR. ADLEY:

16 Okay.

17 MS. CLAPINSKI:

18 New B.

19 MR. ADLEY:

20 I don't have a problem. I don't have
21 any notes beside it, so...

22 MS. CLAPINSKI:

23 Oh, all right.

24 517 B, on the ineligible, we just added
25 it because it's included in the definition that



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1 replacement required for the rehabilitation or
2 restoration of facility may be included, so I just put
3 that caveat there as well to finish through that
4 definition.

5 And I believe --

6 MR. ADLEY:

7 I'll share with you that under 517, the
8 environmentally required issue, not suggesting that you
9 do anything at this point, but just to share with you
10 we're having discussion about --

11 MS. CLAPINSKI:

12 Yes, sir.

13 MR. ADLEY:

14 Because the Governor was adamant about
15 not wanting to allow ITEP, but I think we also recognize
16 if some plant is shutting down because of some federal
17 guideline, there might be reason for that.

18 MS. CLAPINSKI:

19 Okay. And when that decision made, I'll
20 be happy to make changes as necessary.

21 MR. ADLEY:

22 And I'm hoping to be able to give that
23 to you soon.

24 MS. CLAPINSKI:

25 Okay.



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1 MR. ADLEY:

2 But the last, on B --

3 MS. CLAPINSKI:

4 Yes, sir.

5 MR. ADLEY:

6 It says, "If the" -- well, I think
7 you've got a word missing. "If the" needs to come out,
8 and, "If an application includes an establishment which
9 is already on the taxable rolls, the Board shall
10 consider granting exemption only if that assessor
11 agrees."

12 MS. CLAPINSKI:

13 That should not be in there anymore. If
14 you look at -- I think you're looking at the version
15 where we tried to compare the two red lines, and I think
16 there may be -- that was a little bit difficult, too.
17 If you look under --

18 MR. ADLEY:

19 I'm reading it. You've got it all in
20 one paragraph here. That's why I'm --

21 MS. CLAPINSKI:

22 Yes, but I think that's one document.
23 The document that I'm looking at is the one --

24 MR. ADLEY:

25 Okay. Let me make this suggestion to



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1 you: This is the document that y'all sent us.

2 MS. CLAPINSKI:

3 No. That's the document that you were
4 sent today that compared the two red lines.

5 MR. ADLEY:

6 If it was sent to us today, we printed
7 it out today. Has it changed?

8 MS. CLAPINSKI:

9 There's a document that was sent out
10 yesterday. That is the redline to the current rules
11 because that is -- that's the document I'm reading from
12 here, and my B says, "The Board shall not consider for
13 tax exemption any property listed on an application on
14 which ad valorem property taxes have been paid." There
15 was language stricken from that. I don't know -- yeah.

16 MR. ADLEY:

17 I got all of that's deleted here under
18 B, and then you pick up with redline, "If an application
19 includes an establishment."

20 MS. CLAPINSKI:

21 Yeah. I see it. Yes, sir. Okay. I'm
22 sorry. Go ahead. I apologize. I missed that part.

23 MR. ADLEY:

24 All I'm saying to you is the one I'm
25 reading says notify the assessor. It appears to me the



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1 proper notification is back to your local government
2 again. Is there a reason for the difference or is one
3 of them just appraising for a value? What am I missing
4 here?

5 MS. CLAPINSKI:

6 That language to the assessor is part of
7 current rules. I just -- it wasn't changed. If
8 there's --

9 MR. ADLEY:

10 I would suggest from the assessor, you
11 get back to the local government again.

12 MS. CLAPINSKI:

13 Well, the assessor, this is really -- I
14 think the reason the assessor is used there is you're
15 talking about the taxable rolls and the assessor is one
16 who maintains those taxable rolls, so is an
17 establishment already on the rolls, the Board considers
18 granting the exemption only if the assessor agrees to
19 remove it from the rolls.

20 MR. ADLEY:

21 That's right. That means the assessor
22 removes it from the tax rolls.

23 MS. CLAPINSKI:

24 Yes, sir.

25 MR. ADLEY:



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1 That means he removes the tax going to
2 local government.

3 MS. CLAPINSKI:

4 Correct.

5 MR. ADLEY:

6 The local government, that's what this
7 is about.

8 MS. CLAPINSKI:

9 No. I understand. I think the whole
10 language needs to change, then. Only the assessor can
11 remove it from the rolls is what I'm saying.

12 MR. ADLEY:

13 I got you.

14 MS. CLAPINSKI:

15 That can't be --

16 MR. ADLEY:

17 I don't think it's -- you can read this
18 clearly to mean that he makes the decision.

19 MS. CLAPINSKI:

20 Got it.

21 MR. ADLEY:

22 And I don't think that's what we're
23 intending to do here.

24 MR. WINDHAM:

25 So, Mr. Adley, process-wise --



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MEETING MINUTES

1 MR. ADLEY:

2 Mr. Windham.

3 MR. WINDHAM:

4 Process-wise, does that mean they would
5 in turn have to go get exhibits from all of the
6 appropriate parties?

7 MR. ADLEY:

8 I think what this is dealing with, 517,
9 which is your ineligible property, and then you have a
10 provision here that says, "If an application includes an
11 establishment or addition which is already on the rolls,
12 the Board shall consider granting exemption only if the
13 assessor agrees in writing." What should be here is if
14 the local governments agree. Now, how you do that, I
15 don't know. Frankly -- and Mr. Miller, at our last
16 meeting, tried to make a really good point. I should
17 have joined in with him. I regret I didn't. I've been
18 chewed out for not doing that. When we had somebody
19 that showed up here that actually had a facility that
20 was closed and came for special exemption from us not to
21 pay property tax on something that was closed, so,
22 therefore, you've got a piece of investment property out
23 there paying no property taxes. I think you were trying
24 to get them to a point to where if you got approval from
25 local government who was giving up the revenue stream,



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1 that was okay. And I think that's what this is about is
2 very much the same thing, and so you remove it, you're
3 allowing the assessor to control the revenue stream that
4 belongs to local government.

5 MS. CLAPINSKI:

6 Yes, sir.

7 MR. WINDHAM:

8 So...

9 MS. CLAPINSKI:

10 I think it's required.

11 MR. WINDHAM:

12 In order for the exemption to be
13 granted, though, you have to have Exhibits A and B;
14 correct?

15 MS. CLAPINSKI:

16 For advances filed after June 26th
17 (sic), 2016, that's correct. 24th. I'm sorry.

18 MR. WINDHAM:

19 So we have an ineligible item here that
20 would be considered granting -- considered to be granted
21 a tax exemption. In order for that tax exemption to be
22 provided, now I have to have, for ones with advances
23 submitted after June 24th, I now have to and have A and
24 B before I can get that exemption; correct?

25 MS. CLAPINSKI:



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1 I don't know if this would
2 necessarily -- I think if you have an advance after that
3 date, yes, you already have to have an Exhibit A and
4 Exhibit B.

5 MR. WINDHAM:

6 So the assessor's put it on the roll;
7 the Board's going to consider it; the Board has to have
8 Exhibits A and B before it can considered; correct?

9 MS. CLAPINSKI:

10 For advances after that date, yes.

11 MR. WINDHAM:

12 So, therefore, LED is going to have to
13 go negotiate with the locals and go through A and B --

14 MR. ADLEY:

15 Now, wait a minute. Wait a minute.

16 MS. CLAPINSKI:

17 LED is not --

18 MR. ADLEY:

19 This is a guy that's been paying
20 property taxes.

21 MS. CLAPINSKI:

22 Well, I think this is generally this is
23 when the property has gone on the rolls, but no property
24 taxes have been paid yet, so sometimes we have that
25 situation. So I think once property taxes are paid,



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1 unless there's a change order or some sort that they
2 agree to it, so this is when sometimes the exemption is
3 not filed properly, the assessor will put the property
4 on the rolls, but no property taxes have been paid. In
5 that case, this is what this attempts to address.

6 MR. ADLEY:

7 If that's what you're trying to get at,
8 that's what you need to say.

9 MS. CLAPINSKI:

10 Okay.

11 MR. ADLEY:

12 And I don't think it says that when I
13 read it. It certainly doesn't say that, that someone
14 filed incorrectly, they never have been on the roll --

15 MS. CLAPINSKI:

16 Well, I think if you look down.

17 MR. ADLEY:

18 -- as a matter of clarifying something
19 up for the assessor.

20 MS. CLAPINSKI:

21 Sure. The C clearly states that "The
22 Board shall not consider for tax exemption any property
23 listed on an application for which ad valorem property
24 taxes have been paid," so once taxes have been paid
25 that's over.



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MEETING MINUTES

1 MR. ADLEY:

2 Again, on my packet, that's all
3 scratched out.

4 MR. WINDHAM:

5 Well, I guess as I'm reading this,
6 Mr. Adley, "The Board shall consider granting tax
7 exemption," and the only way we can grant tax exemption
8 is if we have Exhibits A and B.

9 MS. CLAPINSKI:

10 For advances filed after the executive
11 order date, that's correct.

12 MR. WINDHAM:

13 Correct.

14 MS. CLAPINSKI:

15 So you're already going to have some
16 approval by the locals at that point.

17 MR. WINDHAM:

18 I think I'm going to have to go get it
19 because the assessor put it on the tax rolls. Taxes,
20 they couldn't have been paid, but for some reason they
21 got on the tax rolls. Now we're saying, no, the Board
22 will consider it, but someone's going to have to go get
23 Exhibits A and B for those filed after the cut off date.

24 I'm just pointing that out process-wise,
25 it seems that way.



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1 MR. ADLEY:

2 Y'all go figure that out.

3 MS. CLAPINSKI:

4 Yes, sir. I think that's --

5 MR. ADLEY:

6 Mr. Miller.

7 Are you done?

8 MR. WINDHAM:

9 Yes.

10 MR. MILLER:

11 I guess -- I'm sorry.

12 SECRETARY PIERSON:

13 Go head.

14 MR. MILLER:

15 Just as a practical note, if I'm the
16 business, I'm going to get the local input as much as I
17 can. I mean, it's just going to make it that much
18 easier for the Board to review it, everybody knows
19 what's going on.

20 I want to go back to property tax on the
21 rolls. I guess I'm, for the first time, I'm kind of
22 catching this. If a tax bill goes out --

23 MS. CLAPINSKI:

24 Yes, sir.

25 MR. MILLER:



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1 -- but the check is not written, there's
2 still a chance to get back the exemption?

3 MS. CLAPINSKI:

4 If --

5 MR. MILLER:

6 But if the check's written, then it's a
7 done deal?

8 MS. CLAPINSKI:

9 That's correct.

10 MR. MILLER:

11 Okay.

12 MR. ADLEY:

13 All right. We're getting close.

14 MS. CLAPINSKI:

15 I think that's the last of my changes
16 from one version, from the prior redline to this
17 redline.

18 If you have other comments, we'll be
19 happy to take those.

20 MR. ADLEY:

21 Mr. Pierson.

22 SECRETARY PIERSON:

23 Just closing out, we're talking about
24 this exception about this plant that's closed, and I'm
25 just struggling why this exception is sort of parked



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1 here. The 517 may have been about property previously,
2 but I think now it wants to address ineligible property,
3 so it should speak to ineligible property. So if
4 there's this exception we're trying to talk about, maybe
5 it doesn't go in 517. Just a note there.

6 MS. CLAPINSKI:

7 Okay.

8 MR. ADLEY:

9 Put it wherever you want to and just
10 tell me where it is.

11 Okay. Is that it?

12 MS. CLAPINSKI:

13 Yes, sir.

14 MR. ADLEY:

15 All right. Members, do you have any
16 further questions on what we've received today? Now,
17 what I'm asking them to do for our benefit for our next
18 meeting, move away from the redline now --

19 MS. CLAPINSKI:

20 Just a clean copy.

21 MR. ADLEY:

22 -- just give us say, "Okay. We are
23 going to read the rules now and see what we like or
24 don't like about what's in those rules."

25 MS. CLAPINSKI:



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1 Absolutely.

2 MR. ADLEY:

3 That would be helpful.

4 And I'm going to get to your comments in
5 just a second, Mr. Pierson. I want to get this public
6 comment piece out the way if I can.

7 I do have some cards here. Let me just
8 go through them in the order that they were given to me.
9 I assume they wish to speak.

10 Is it Mike, is it, Tarantino; am I
11 saying that correctly?

12 MR. TARANTINO:

13 Yes, sir.

14 MR. ADLEY:

15 With Area Economic Development.

16 Mike, when you sit down, if you would,
17 just for our recording, identify yourself again and make
18 your comments. Thank you.

19 MR. TARANTINO:

20 Good afternoon. I'm Michael Tarantino,
21 President and CEO of the Iberia Industrial Development
22 Foundation. We handle economic development for Iberia
23 Parish and municipalities.

24 Good afternoon. We are pleased to be
25 able to address you today, and thank you so much for



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MEETING MINUTES

1 taking just a minute to hear a couple comments. These
2 are more comments, not so much questions, but maybe
3 there will be a question in there somewhere.

4 My comments today are, basically looking
5 through in here in the last presentation, particular to
6 the Preamble, a part of the Preamble on Section 2, and
7 also as it pertains to Exhibit B.

8 Let me just say that I personally
9 support and I also serve on the Board of Directors for
10 the Louisiana Industrial Development Executives
11 Association, although, I'm not speaking on behalf of
12 that organization today.

13 Those two particular -- let me just say,
14 I support the idea of local input in all of these
15 proceeding. It's definitely important for the locals to
16 have that kind of had input, especially because of the
17 effect it has on them. My concern has to do with the
18 process of approving this while we're working on a deal
19 with the prospect. As a local economic developer, we
20 work prospects all of the time. Many times they require
21 a confidentiality; many times they require expediency in
22 getting these things approved, and I'm afraid that in
23 the process of getting some of these things approved or
24 bringing those before the local governing bodies, the
25 process may take longer than the prospect or the company



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MEETING MINUTES

1 would wish to.

2 Secondly, these are public meetings, and
3 typically the -- at least the companies that I've worked
4 with would like to reserve the right to hold certain
5 information in confidence, so I would hope that we could
6 maybe take the input of some local economic developers,
7 as we put together the ins and outs of those particular
8 rules, with the result being a streamlined process to
9 get us to exactly the types of rules and types of local
10 input that you'd like to see. I'd just like to see a
11 streamline process that could work easily and simply so
12 that the locals could have all of the input they'd like,
13 but that we can honor the business process and the
14 processes that go along with.

15 MR. ADLEY:

16 And I would just suggest the best thing
17 for you to do is whatever recommendations you have while
18 we're working through this process is up to Don and them
19 to put together. The Exhibits A and B, they're going to
20 be working with local governments, so whatever concerns
21 you have there, I really think that's probably the best
22 place to address it.

23 MR. TARANTINO:

24 Certainly. I work very closely with the
25 secretary and LED team --



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MEETING MINUTES

1 MR. ADLEY:

2 We don't want to know how close, just
3 y'all work together.

4 MR. TARANTINO:

5 Thank you.

6 MR. ADLEY:

7 Rebecca Shirley.

8 MS. SHIRLEY:

9 Good afternoon. My name is Rebecca
10 Shirley. I'm the Director of Business Development for
11 One Acadiana. We're a regional economic development
12 group representing nine parishes in the Acadiana area.
13 My remarks today are supported by those economic
14 developers, such as Mike Tarantino, who was just here.

15 First of all, I want to thank you for
16 allowing us to be partners with you as we're looking at
17 these rules and making these changes. It's very
18 important for us because we're talking to these
19 businesses, and I have to say that I've had more
20 businesses who have asked me questions about this and
21 what those changes are going to be, in particular, those
22 who have had their five-year exemption, and as they said
23 to me, when I applied for this, I did everything that
24 the rules and regulations said that I had to do at that
25 time. I complied with what was asked of me, and now



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1 it's time for that five-year exemption and I'm concerned
2 that it's not going to be honored whenever I honored my
3 commitment at the beginning. So I ask that be something
4 that you definitely take into consideration.

5 MR. ADLEY:

6 I do want to clarify for you because
7 it's -- and I need to add the fact the that, on the
8 rules, I forgot to tell you, the provision to make sure
9 that we have those live meetings, that needs to be
10 inside the rules. We need to have that clause. We are
11 live, and we're here for a reason, to make sure that
12 there's total transparency in what occurs.

13 When -- although people, I think, have
14 just accepted that we have a 10-year deal in Louisiana,
15 that's not the law, and the Board has always, regardless
16 of who is here now or who was here before, you have
17 always been required to go there for approval, and when
18 people applied, I think everybody did know that. I
19 think everyone's expectations are that everything just
20 happens this way, but it doesn't necessarily -- the law
21 doesn't say that. For what it's worth.

22 MS. SHIRLEY:

23 Thank you.

24 I particularly work with existing
25 businesses, and those businesses are the ones who have



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1 been here and made those investments over years, capital
2 investment, as well as hiring our friends and neighbors,
3 and a number of the projects that they do are when they
4 do the requests, don't necessarily have a job creation,
5 but they allow them to remain competitive and to retain
6 those jobs, which, for us, is very important. A number
7 of rural parishes exist in Acadiana, and being able to
8 remain competitive in a small community that has a lot
9 of economic challenges and has a lot of transportation
10 challenges, being able to remain competitive is what
11 allows them to stay there. So their use of the
12 miscellaneous capital additions has been something that
13 has been a big part of them.

14 So I'm reminded of a company that is a
15 food processing company. They have 100 employees full
16 time and 30 part time, and they utilize this to be able
17 to remain competitive. Being able to use it allows them
18 to get a contract with an international fast food
19 restaurant providing something for them that is going to
20 allow them to possibly hire new employees down the road.
21 So potentially, Secretary Pierson, what they will have
22 to look at according to what these rules are is not
23 using miscellaneous capital additions, but as a project.
24 So that may be just some rules that we're just going to
25 have to make sure that we make known to businesses as



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1 they move down the road.

2 MR. ADLEY:

3 I would suggest to you, too, it would be
4 very helpful, particularly for our economic development
5 folds, to spend a little time with a tax foundation to
6 look at the competitiveness of Louisiana so that you
7 know we are more competitive than any state in America
8 by a long shot. Our ratio of investment in Louisiana
9 versus state and local taxes is .01 percent. To remain
10 competitive, we're almost at zero. Way ahead of
11 everybody else just for what it's worth. And, look, I'm
12 a business guy myself. I get it. We've got to get
13 everything we can get, but they really should look at
14 that just to see where Louisiana stands. We are way
15 ahead of everybody else in your investment compared to
16 the state and local taxes paid. I mean way ahead.

17 MS. SHIRLEY:

18 Thank you.

19 MR. ADLEY:

20 Hank you. That's a selling point for
21 you to take home.

22 MS. SHIRLEY:

23 Thanks.

24 MR. ADLEY:

25 And Dianne Hurley (sic), Together



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1 Louisiana.

2 Did I say that right?

3 MS. HANLEY:

4 Hanley.

5 MR. ADLEY:

6 Hanley. I'm sorry. I'm from Bossier.

7 MS. HANLEY:

8 My name is Dianne Hanley with Together
9 Louisiana. I really appreciate what you just said,
10 Senator Adley, that you reiterated that this is a
11 five-year contract. That's in the law, and that's truly
12 what I want to speak to right now because what gives us
13 great cause and concern is 501(B) where it talks about
14 projects and fairness and assurances.

15 MR. ADLEY:

16 That's in the Preamble part?

17 MS. HANLEY:

18 Preamble part.

19 MR. ADLEY:

20 Okay.

21 MS. HANLEY:

22 I'd like to really address that. I feel
23 that that language needs to be tightened considerably,
24 we at Together Louisiana do, that we're a little
25 concerned that this language appears to bind the Board



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1 to, frankly, an illegal assurance. It is illegal to
2 assure something 10 years when we have a constitution
3 that says five years. No tax exemptions are legal that
4 are not provided for in the constitution, and the
5 constitution says that there is a five-year property tax
6 exemption, not a 10-year property tax exemption.

7 The constitution allows that a contract
8 may be renewed five years -- for one time for up to five
9 years, and doing so is a new contract. It must be
10 approved like a new contract; it must be signed like a
11 new contract.

12 The executive order applies guidelines
13 to all new contracts, not projects, as listed in the way
14 it is stated in 501(B). The proposed language in these
15 rules, frankly, it muddies the waters of that matter.
16 It appears to allow renewals to be treated as existing
17 contracts when they are not. If anyone granted
18 assurances for a 10-year exemption, they, again, acted
19 against the law of the State of Louisiana in doing so.
20 This Board should not bind itself to these kind of
21 assurances, which we frankly believe are
22 unconstitutional.

23 So we just wanted to drive that home and
24 we want to see the language definitely tightened up
25 under 501(B) to state that, you know, we're not going to



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1 give projects assurances beyond five years because there
2 has to -- without them recognizing that is a new
3 contract that can be signed or not signed, but that it
4 is not a continuation. All renewals are not a
5 continuation that is assured. So we wanted that
6 language in there.

7 Thank you.

8 MR. ADLEY:

9 Thank you, ma'am. And, again, we
10 appreciate y'all's participation. Thank you.

11 Bob Adair, Louisiana Mid-Continent.

12 I thought you promised me you weren't
13 going to talk about environmental stuff today.

14 MR. ADAIR:

15 I'm not going to talk about that.

16 Bob Adair here from LOGA. Thank you.

17 I've just got a, what I think is a
18 practical application. We're trying to get our arms
19 around this, as I know, you are, too, and I think the
20 analogy that you're very familiar with is how the bill
21 become law, you know, the flow chart. Maybe we should
22 have something like how an ITEP application becomes a
23 contract. And as we have all of these red lines that
24 we're looking at, we might not all have all of the
25 answers yet, but I think that might flush out some of



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1 the potential law jams or logistically how we're going
2 to do this. But I was, as we're going through this
3 discussion, I've been thinking logistically, "Okay. How
4 does this happen?" It goes to the LED and then you go
5 to the parish and then you go back. I mean, what is the
6 flowchart, so...

7 MR. ADLEY:

8 I think at this point, I think once we
9 get down to where we have something fairly definitive
10 where we are, I think the department would certainly be
11 in a position to put that together for us.

12 MR. ADAIR:

13 Well, even before then. I'm thinking
14 the starting line, it might help you identify where the
15 law jams are now that you might need to work on.

16 MR. ADLEY:

17 I suggest you get with Don and y'all
18 work out something. Any information they can bring us,
19 we certainly appreciate it, and we can see it. No. I
20 think that's a good suggestion. That's very helpful.

21 Kathy Wascom, LEAN.

22 MS. WASCOM:

23 Good afternoon. Kathy Wascom, Louisiana
24 Environmental Action Network. We have many of the same
25 difficulties with Section B because the --



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1 MR. ADLEY:

2 The section you're -- 501(B), is that
3 where you are?

4 MS. WASCOM:

5 501(B), right in the Preamble.

6 MR. ADLEY:

7 Okay.

8 MS. WASCOM:

9 As far as treating renewals simply as a
10 continuation rather than -- in our mind, it keeps
11 ongoing everything that has been filed before the June
12 24th, it just keeps on as is with none of the new rules
13 put in place.

14 And I would call your attention, also,
15 to Section 529, which actually speaks of renewal of the
16 tax exemption.

17 MR. ADLEY:

18 Excuse me. I lost you. Section?

19 MS. WASCOM:

20 Oh, I'm sorry. It's on the very last
21 page, Section 529. It's actually called "Renewal of Tax
22 Exemption Contract," and so if the renewals are being
23 treated the same as 10-year -- being treated as a
24 10-year Industrial Tax Exemption, then probably what
25 would be the purpose of the renewal? What would be the



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1 purpose of you even considering a renewal if it's just
2 simply a rubber stamp of what was previously done before
3 the executive order?

4 So that local government, I think, is
5 probably very concerned, also, as their school boards
6 look for funding and the sheriffs, and there's also
7 other government entities that also use property tax,
8 like your parks, your libraries, your transportation
9 systems, whether or not they would be involved in this,
10 also. So there will be some guidance, I assume, from
11 the department on who is being involved in this.

12 MR. ADLEY:

13 You're raising an interesting point I
14 had missed.

15 Again, can one of y'all, the department,
16 step back up here just for a second? Just reading what
17 she was going over, and clarify for us -- I hadn't
18 really thought about that. When you brought it up, it
19 just hit me. In 529(B), where she was, it says,
20 "Eligibility of the applicant and the property for
21 renewal of exemption will be reviewed by the Board using
22 the same criteria as was used in the initial contract."
23 So tell me what that means where everything is -- the
24 continue we were having, 324 and all of that stuff.
25 Somebody help me with that. Don?



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1 SECRETARY PIERSON:

2 I'll be happy to. Is she the last
3 speaker? Is there anyone behind her?

4 MR. ADLEY:

5 No, but I'm going to let her finish. I
6 am. But if you'd kind of answer that, I'm going to let
7 her finish. I interrupted her. I'll do that.

8 SECRETARY PIERSON:

9 Well, specifically to what she speaks to
10 is exactly why we've issued the executive order.
11 Everything in the past had no accountability associated
12 with the ITEP contract. There wasn't a specified job in
13 here; there wasn't a specified capital investment.
14 There was an advanced notification, which was their best
15 estimate of what the project might cost, how many people
16 it could take to run it, and that was before technology
17 advanced year in, year out. So today going forward,
18 with Exhibit A, we'll have the ability in five years, or
19 whatever the term that the locals specify as part of
20 Exhibit A, to go back and be confident that what the
21 company pledged is being delivered.

22 MR. ADLEY:

23 I got that.

24 SECRETARY PIERSON:

25 That's in the record in the --



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MEETING MINUTES

1 MR. ADLEY:

2 No. I'm trying to understand what does
3 this do with this relationship with that June 24th date
4 and so forth, this language here? That's all I'm trying
5 to get.

6 MR. HOUSE:

7 What I think it does is, going forward,
8 in your new contracts issued under the executive order,
9 you may have -- you may not have five years with a
10 five-year opportunity for renewal. You may have three
11 and three; you may have one five-year contract. The
12 term of the contract can be negotiated, will be
13 negotiated going forward. The contracts that have been
14 approved to date specify five years with a five-year
15 renewal period. When you renew a contract, you renew
16 the contract. It's that simple. There's a contract in
17 place. You as members of the Board, you can renew it,
18 you can not renew it. If you don't renew it, it's gone.

19 The department's consistent position has
20 been that renewals of the contract have been part of
21 what we have told people over the years that we would
22 support.

23 MR. ADLEY:

24 Yeah. So can I ask this question? For
25 all of those that we deferred at the last meeting for



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1 the renewals, can you just pick one out and give me a
2 copy of the contract that we entered into?

3 SECRETARY PIERSON:

4 I'm about to do that.

5 MR. ADLEY:

6 Just get me one of them so I can look at
7 it. That would be helpful.

8 MR. HOUSE:

9 Mr. Pierson will be doing that for you
10 whenever you want it.

11 MR. ADLEY:

12 And I'm sorry. I will let you finish.

13 MS. WASCOM:

14 I'm sorry, sir. As I said, my
15 understand of this, any of those renewals that were in
16 the pipeline before the executive order was issued are
17 simply going to be the same ol' same ol'; there's
18 nothing new. They're simply going to be given the same
19 carte blanche as they were previously, so that there was
20 no accountability from local government -- I mean,
21 there's no accountability to local government for the
22 industrial tax exemptions.

23 I was looking, at the last meeting, you
24 had almost a \$2-million Industrial Tax Exemption, a
25 renewal for Georgia Pacific that's in East Baton Rouge



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1 Parish where I am from, so if you can -- you look at
2 that, and if under the previous rules, there were no --
3 there was nothing you had to do to qualify for this
4 except put your application in, then it would be an
5 automatic grant by the Board of the this tax exemption,
6 are all of the ones or a lot of the ones that you really
7 deferred from the last meeting; is that correct? I
8 mean, it's going to be the same --

9 MR. ADLEY:

10 I guess if you had followed the last --
11 I guess the only two of these meetings that I've ever
12 been to, the first one lasted for six hours and the
13 second one for four and a half hours as we tried to go
14 through each and every one of them so that there is no
15 longer a rubber stamp --

16 MS. WASCOM:

17 Correct.

18 MR. ADLEY:

19 -- that we are looking for those things
20 that make them meaningful and comply with the
21 constitution. What's making it difficult is having one
22 set of rules they've all been kind of living under and
23 now we're trying to, we think, fix those rules and make
24 them better. So it's just not a simple process of just
25 saying, "Okay. It starts right here." That's why I'm



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1 asking for if they have contracts, I need to see those,
2 that -- I need to see them. If they have a contract in
3 place, then it makes us adjust where and how we move.
4 It does. We're just like you. We're trying to work our
5 way straight through this. We know this, there's been
6 no accountability; it has been a rubber stamp; has been
7 no assessment good or bad, one way or the other; walk in
8 the door, vote yes and go home. That's not happening
9 now. I feel good about that. I do.

10 MS. WASCOM:

11 Well, at your next meeting, I just, as
12 you look at these renewals, I would simply ask the
13 Board --

14 MR. ADLEY:

15 I'll view them personally -- I have.
16 You heard me say it. I view them as new contracts. Not
17 everybody agrees with that, but that's my view and
18 that's I'm asking for these contracts now. I want to
19 see what they say.

20 MS. WASCOM:

21 Okay. Thank you.

22 MR. ADLEY:

23 Because I don't think you could enter
24 into a 10-year deal. I think that's against the
25 constitution. I want to see if they give me a contract



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1 that says I violated the constitution. And they say
2 they got it, so I want to see it.

3 MS. WASCOM:

4 Thank you.

5 MR. ADLEY:

6 Mr. Pierson. And Mr. Windham is behind
7 you.

8 SECRETARY PIERSON:

9 All right. Thank you.

10 MR. ADLEY:

11 Mr. Windham.

12 SECRETARY PIERSON:

13 Who's going to go?

14 MR. ADLEY:

15 All right. Mr. Pierson, back to you.

16 SECRETARY PIERSON:

17 I'd like to get this in before

18 Mr. Miller has to leave if you'll permit me.

19 MR. ADLEY:

20 Sure.

21 SECRETARY PIERSON:

22 I don't know if you have anymore
23 speakers.

24 MR. ADLEY:

25 Sure. Sure. And I don't have any other



1 speakers. Bear in mind, Don, I've agreed to get them
2 all out of here before 4 o'clock, so you've got it.

3 Before we begin, let me remind y'all, on
4 September 30th at 10 and on October the 21st at 10, we
5 will meet again and add live feed in there, that's
6 recorded meetings.

7 SECRETARY PIERSON:

8 Gentlemen, I'm providing you a series of
9 documents that I believe are going to be helpful to our
10 understanding. As I appreciate that at our last
11 meeting, there was some concern and a lack of clarity,
12 perhaps.

13 So what you have here is an example, ne
14 of the 19 deferred contracts before renewal. It starts
15 out in February 11th of 2010 when the department issued
16 what we refer to as an offer letter. And you can
17 imagine, if you live your life with offers. You live
18 your life with an offer on a car, on a house, on things
19 that you purchase. This is an offer letter that we
20 represented to Folgers. We call it Folgers because
21 that's what it is. It's actually addressed to The
22 Smucker Company, which owns Folgers.

23 On Page 2 of this offer letter, it
24 speaks to offering an Industrial Tax Exemption program
25 for a 10-year term. That's what was represented in 2010



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1 to the company that was going to make a \$52-million
2 investment and maintain 570 jobs.

3 If you follow the document to its Annex
4 A, which is reflected back on Page 8, there is a series
5 of modules that outline the Industrial Tax Exemption
6 program, whereas, again, represent to the company that
7 their existing facilities will be exempted for a period
8 of 10 years. That's offer. It's only part of the
9 transaction as a discussion.

10 In this case, Folgers agreed to take the
11 state's offer and sat down and entered into a contract,
12 which we call a cooperative endeavor agreement. That's
13 behind your first blue piece of paper. It's entitled
14 "Cooperative Endeavor Agreement."

15 If you'll follow that contact back to
16 Page 7, you'll see what was represented in 2010, because
17 the offer was made on the 11th of February and the
18 contract was entered into on the 24th of March 2010, the
19 contract. And on Page 8 -- correction, Page 7, it
20 speaks to the Industrial Tax Exemption and represents
21 that LED agrees to support approval by the Board of
22 Commerce and Industry and the Governor of the company's
23 application in accordance with the program rules for a
24 total 10-year term, an initial five-year term and a
25 renewal for an additional five-year term.



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1 MR. ADLEY:

2 Okay. Can I ask this question? This is
3 very, very helpful. What I'm trying to follow is how --
4 I didn't understand how you used the term 10 years until
5 you related it back to the five and five.

6 SECRETARY PIERSON:

7 So contracturally --

8 MR. ADLEY:

9 When this was entered into, was it a
10 requirement that the second five be a renewal before the
11 Board, or when the Board acted a first time, was that
12 done deal, five and five? In other words, when it was
13 over they got 10. Can somebody help me with that?

14 SECRETARY PIERSON:

15 If you look at B, that's the one you're
16 looking at on Page 7.

17 MR. ADLEY:

18 I am.

19 SECRETARY PIERSON:

20 "For a total 10-year term" is the
21 statement in the contract. It reflects what the state
22 made in its offer and it reflects what the company and
23 the state agreed to contracturally.

24 MR. ADLEY:

25 I got that. I want to back up again. I



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1 want to understand, you required, even this contact is
2 required to come back for renewal; is that right or
3 wrong?

4 SECRETARY PIERSON:

5 It speaks in parentheses, "An initial --
6 an initial five-year term and a renewal for additional
7 five-year term."

8 MR. ADLEY:

9 Okay. So, Richard, you've got to help
10 me with this. I get the first five. I clearly see how
11 you can do that. I'd like to understand how -- and this
12 is 2010. This is before all of us. I understand that,
13 so I'm not placing this on anybody. I'm just saying
14 that somebody in 2010 said "I'm giving you five, and I'm
15 giving you five," but I thought the second five had to
16 get further approval from the Board of Commerce and
17 Industry. Was the Board of Commerce and Industry, when
18 they approved the initial five, did they approve the 10
19 or the initial five?

20 MR. HOUSE:

21 They approved the initial five. That's
22 why you have a renewal before you now.

23 MR. ADLEY:

24 That's correct.

25 MR. HOUSE:



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1 That's why you have that contract.

2 In the constitution, in Article 7,
3 Section 21(S) says, "The exemption shall be for an
4 initial term of no more than five calendar year and may
5 be renewed for an additional five years."

6 So it's not a new contract. It's a
7 renewal of the exemption.

8 MR. ADLEY:

9 Or a renewal of this contract?

10 MR. HOUSE:

11 It's a renewal of the contract you have
12 before you in this particular instance that is being
13 illustrated.

14 MR. ADLEY:

15 Okay.

16 SECRETARY PIERSON:

17 So we take the contractual obligation
18 that is that agreed to by the state and the corporation,
19 and behind your blue tab, you'll find application for
20 the Industrial Tax Exemption filed through the advance
21 notification, which was the evidence further.

22 MR. ADLEY:

23 What page are you on now, Don?

24 SECRETARY PIERSON:

25 Behind your second blue tab.



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MEETING MINUTES

1 MR. ADLEY:

2 Okay. I'm with you.

3 SECRETARY PIERSON:

4 You've go your advanced notification
5 filed in May for the Folger Coffee Company letting the
6 state know that they were proceeding with their
7 \$69-million investment. That's their estimate. And on
8 the following page, you see they paid \$200 filing fee.

9 And at that point, they begin to
10 construct, and there have been an offer, an acceptance,
11 an application, and a filing fee. And I would argue
12 that it's very clear that their expectation from day one
13 when the offer was received, that they would have tax
14 abatement for a 10-year term, that they would have
15 calculations as to whether they wanted to proceed with a
16 \$69-million investment. Certainly we wanted them to
17 proceed with that. We wanted the associated jobs.

18 And just in closing, on the last piece
19 of document provided was an audit wherein 2014, their
20 payroll exceeded the required performance. Their
21 obligation was for 32.9-million in payroll, and they
22 generated 47.3-million in payroll. We'll continue to
23 audit throughout the process, but these are the
24 documents that demonstrate what the core of the
25 transaction was. It was an offer, an acceptance and an



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1 application. And embodies here is what I believe the
2 Governor wants to do, which is honor the commitments the
3 state has made, and for that reason, I feel like this
4 request for renewal should be proved and it's one of the
5 19 or so that have been deferred.

6 MR. ADLEY:

7 Is that it?

8 SECRETARY PIERSON:

9 That's it, sir.

10 MR. ADLEY:

11 Thank you.

12 Mr. Windham.

13 MR. WINDHAM:

14 I guess I wanted to address the phrase
15 that gets used sometimes as a rubber stamp of this Board
16 because I was around when we had screening committees of
17 all of the applications every other month and it was --
18 I was part of the staff, and it was determined by the
19 Board that the staff screens this to such extent that if
20 it's not eligible, it doesn't make the application, they
21 call the company back and let them know, you know, that
22 these items won't qualify. If the project doesn't
23 qualify, it's not manufacturing in the case of the
24 Industrial Tax Exemption program, the Board never sees
25 it. So it's very important for the public to know that



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1 these applications, this advance, the work that the LED
2 team does, the work that the locals do, the work that
3 consultants do is not just throw something together.

4 MR. ADLEY:

5 I don't think I ever heard anybody say
6 that.

7 MR. WINDHAM:

8 Well, people have said "rubber stamp,"
9 the Board rubber stamps --

10 MR. ADLEY:

11 I do believe that -- I don't question at
12 all the work that the department does to get to this
13 point. I don't. I actually had the pleasure of working
14 with them on some of their projects. I don't question
15 that at all. I think where it has been lacking, and I
16 think anyone who has been able to watch this process
17 over time clearly sees that the questions and the things
18 that we are raising now have not been raised in a long,
19 long time.

20 MR. WINDHAM:

21 And I don't disagree there.

22 MR. ADLEY:

23 And I don't -- you know, forever. And
24 it has led to a part of an awful structural process and
25 problem that we have in the State of Louisiana in the



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1 form of billion of dollars. Not say that everybody
2 didn't comply with whatever the rules were at that
3 particular time. So I want to make that very clear to
4 you. I don't think the Governor has ever intended to --
5 and he has never said, as you suggested, that these
6 people don't work. He believes that and I do, too, but
7 he has said, and I agree with him, that when it comes to
8 the Board -- I mean, I've seen we sit down and not a
9 single question asked on anything. That's why I call it
10 rubber stamp. That's what I think a rubber stamp is. I
11 may be wrong about that, but that's what I think it is.

12 MR. WINDHAM:

13 Well, I appreciate that, Mr. Adley, and
14 I'm not inferring that the Governor or anybody on the
15 Board intends it that way, but that's what gets
16 portrayed to the public, to the press, to the people
17 such as Together Louisiana. They may perceive it as a
18 rubber stamp because that's what they see. They come
19 in, they haven't been through, you know, the 20 years of
20 the changes that have been worked on to change or to
21 implement the process that's in there so that these
22 meetings don't last six and eight hours like previously
23 the screening committees would last, six to eight hours,
24 and we would have each applicant come in and they had to
25 defend everything on their applications one by one. And



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1 I know that first meeting that we had was seven hours
2 and we didn't even have the applications in front of us.
3 It was just questions without any supporting documents
4 that we had.

5 So I just want to make that point.
6 Thank you.

7 MR. ADLEY:
8 You're more than welcome.
9 Mr. Miller.

10 MR. MILLER:
11 I thing to add a little that in
12 Tangipahoa Parish -- I'm not sure all of you know that
13 I'm the Tangipahoa Parish President. I'm all in support
14 for the local, but how do we get the process going
15 because I don't want to slow the process down. I want
16 people in our parish to have the opportunity to get from
17 idea to finish to jobs. But just this past month or so,
18 LED did five visits for five-year renewals on industrial
19 tax exemptions, so they go to see that that facility is
20 complying with the contract, that they are still
21 manufacturing, that they still have jobs going on. It's
22 not just -- now, the bar may not be very high because
23 the rules that were here, the bars weren't very high to
24 step over to continue with the exemption, but the staff
25 is doing their part to give us that opportunity.



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1 Mr. Windham mentions the screening
2 committees, maybe that's another option that we should
3 go back to. I see you bobbing your head, but if we're
4 going to do this, at least we could have some real --
5 that's what we are asking the staff to do today is go
6 back and get all of this information that's going to
7 verify that the jobs are there, that they created the
8 jobs they were supposed to do after the fact. So maybe
9 it is an idea.

10 Thank you.

11 MR. ADLEY:

12 Mr. Fajardo.

13 MR. FAJARDO:

14 Yes. Thank you.

15 I know I'm pretty really new to this
16 Board, so it's a learning experience for me, but one of
17 the things I've assessed, I'm a great listener and I
18 kind of look at a lot of the information that's given to
19 me and I'm noticing, like, Don, especially with this
20 Folgers contract, the -- now, I've got this assessment
21 that was made by Together Louisiana apparently with this
22 company, meaning the original claim was 30 jobs they
23 were going to create, but they, in fact, created 140
24 jobs, which to me has met, you know, the criteria for
25 what it takes because I think the big thing here for us



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1 is about creating jobs as well. So I totally understand
2 that we had to defer a lot of these things, you know,
3 basically because they were falling in line with some
4 other companies that we still have to take a look at.
5 But saying that, you know, when you look at things like
6 that, you're looking at companies that are coming into
7 this state to create jobs and maintain jobs, you know,
8 something like that really does need to be taken -- we
9 need to be very thorough and consider, not just throw
10 everything to the side. You know, each of those
11 companies do deserve an opportunity to be paid attention
12 to to make sure that they're, you know, they're doing
13 the right things, do our due diligence to make sure
14 we're doing what's best for the state.

15 MR. ADLEY:

16 Thank you very much.

17 All right. No, listen, I've done the
18 public comments. You know, if you've got some more, put
19 it in writing, give it to all of us. I'm not here to
20 debate back and forth with the public at this point.

21 At our next meeting, we're going to take
22 the complete set of rules as we've got them right now,
23 so we can start some real work on where we're going to
24 end up in an effort to try to have something finished
25 for that October meeting that we get approval so you



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1 start your ABA process.

2 So with that, I've recognized all of the
3 public comments, we have gone through our agenda, we
4 have taken no action with no quorum here. With that,
5 then, this meeting is adjourned.

6 (Meeting concludes at 3:55 p.m.)

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2 I, ELICIA H. WOODWORTH, Certified Court
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5 Commerce and Industry of the Louisiana Economic
6 Development Corporation, do hereby certify that this
7 meeting was reported by me in the stenotype reporting
8 method, was prepared and transcribed by me or under my
9 personal direction and supervision, and is a true and
10 correct transcript to the best of my ability and
11 understanding;

12 That the transcript has been prepared in
13 compliance with transcript format required by statute or
14 by rules of the board, that I have acted in compliance
15 with the prohibition on contractual relationships, as
16 defined by Louisiana Code of Civil Procedure Article
17 1434 and in rules and advisory opinions of the board;

18 That I am not related to counsel or to the
19 parties herein, nor am I otherwise interested in the
20 outcome of this matter.

21 Dated this 14th day of October, 2016.

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