

STATE OF LOUISIANA
 BOARD OF COMMERCE & INDUSTRY
 BEING HELD ON FRIDAY, JANUARY 20, 2023
 AT THE LASALLE BUILDING
 617 North Third Street, FLOOR 1, LABELLE ROOM
 Baton Rouge, Louisiana

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

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1 APPEARANCES :

2 BOARD MEMBERS PRESENT :

3 CHAIRMAN JERALD JONES

4 RONNIE SLONE (ABSENT)

5 DR. BEVERLY B. THOMPSON

6 STUART A. MOSS

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

8 WILSON, DESIGNEE FOR GOVERNOR

9 KENNETH HAVARD (ABSENT)

10 BARBARA FREIBERG, PROXY FOR REPRESENTATIVE

11 STUART J. BISHOP

12 JAN K. MOLLER

13 RICKEY L. FABRA

14 SENATOR MIKE REESE

15 SECRETARY DON PIERSON

16 SANDRA MCQUAIN

17 DR. WOODROW WILSON, JR. (ABSENT)

18 REPRESENTATIVE VINCENT ST. BLANC, PROXY FOR

19 REPRESENTATIVE PAULA P. DAVIS

20 MAYOR DAVID H. TOUPS

21 YVETTE COLA (ABSENT)

22 GUY S. MCINNIS (ABSENT)

23 NAHEEM "GEORGE" NASSAR, JR.

24 BRANDON BURRIS, DESIGNEE FOR LIEUTENANT GOVERNOR

25 MANUEL "MANNY" FAJARDO (ABSENT)

1 SENATOR R.L. "BRET" ALLAIN

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

3 MARSHALL J. SIMIEN, JR. (ABSENT)

4 TRAVIS HOLLEY

5 STAFF MEMBERS PRESENT:

6 ANNE VILLA

7 ROBIN PORTER

8 DEBORAH SIMMONS

9 FRANK FAVALORO

10 KRISTIN CHENG

11 HUD USIE

12 TRAVIS ROSENBERG

13 JOYCE METOYER

14 STEPHANIE LE GRANGE

15 TEDRA CHEATHAM

16 MICHAELA ADEGBE

17 BRENDA GUESS

18 OLEVIA SHAUBAUGH

19 YANCY LE GRANGE

20 LARRY COLLINS

21 SPEAKERS FROM THE PUBLIC:

22 RONA DAIGLE, SENIOR TAX LEADER, UNION CARBIDE

23 CORPORATION, ST. CHARLES PARISH

24 STACEY GAUTREAU, DIRECTOR OF PUBLIC AFFAIRS, U.S.

25 SOUTH, DOW

1 APPEARANCES CONTINUED:

2 HARTIE SPENCE, JR., PRESIDENT, ASH INDUSTRIES,

3 LAFAYETTE PARISH

4 B. TROY VILLA, COUNSEL FOR SIERRA FRAC SAND, LLC

5 KIP AMICK, MANAGER, SIERRA FRAC SAND, LLC

6 DREW TALBOT, SPECIAL OUTSIDE COUNSEL, LED

7 WILLIAM FISH, FINANCE MANAGER, MAUSER PACKAGING

8 DARRELL HUNTER, PLANT MANAGER, MAUSER PACKAGING

9 THOMAS SOLTAU, OWNER, SUGARFIELD SPIRITS,

10 LLC/SUGARFIELD PROPERTIES, LLC

11 MARK GARON, MANAGER, MK ENVIRONMENTAL, INC.,

12 CALDWELL PARISH

13

14

15 REPORTED BY:

16 KELLY S. PERRIN, CERTIFIED COURT REPORTER

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

2 CHAIRMAN JONES:

3 Good morning, everyone. It's good to see
4 everyone this morning. I'll call the meeting
5 of the Board of Commerce and Industry. This
6 is actually our December meeting. It was
7 postponed to this day. We apologize for the
8 inconvenience. And we know that we're
9 starting a little bit early, but we have a
10 number of Members of the Board who have other
11 meetings scheduled for later in the morning,
12 so we're going to try to work through the
13 agenda as expeditiously as possible. I don't
14 want to inhibit comment or inhibit
15 contribution by any member of the audience or
16 the Board, but I will be moving as quickly as
17 you all will allow me.

18 So with that, can we call the roll and
19 make sure we have a quorum?

20 MS. SIMMONS:

21 Good morning.

22 CHAIRMAN JONES:

23 Good morning.

24 MS. SIMMONS:

25 Brandon Burris?

1 MR. BURRIS:

2 Here.

3 CHAIRMAN JONES:

4 He's here.

5 MS. SIMMONS:

6 Mayor Toups?

7 MAYOR TOUPS:

8 Here.

9 MS. SIMMONS:

10 Yvette Cola?

11 (No response.)

12 MS. SIMMONS:

13 Guy McInnis?

14 (No response.)

15 MS. SIMMONS:

16 Rickey Fabra?

17 MR. FABRA:

18 Here.

19 MS. SIMMONS:

20 Manuel Fajardo?

21 (No response.)

22 MS. SIMMONS:

23 Stuart Moss?

24 MR. MOSS:

25 Here.

1 MS. SIMMONS:

2 Representative Vincent St. Blanc, proxy
3 for Paula Davis?

4 REPRESENTATIVE ST. BLANC:

5 Here.

6 MS. SIMMONS:

7 Senator Mike Reese?

8 SENATOR REESE:

9 Here.

10 MS. SIMMONS:

11 Kenneth Havard?

12 (No response.)

13 MS. SIMMONS:

14 Jerald Jones?

15 CHAIRMAN JONES:

16 Present.

17 MS. SIMMONS:

18 Sandra McQuain?

19 MS. MCQUAIN:

20 Here.

21 MS. SIMMONS:

22 Senator Allain?

23 SENATOR ALLAIN:

24 Here.

25 MS. SIMMONS:

1 Representative Barbara Freiberg for
2 Stuart Bishop.

3 REPRESENTATIVE FREIBERG:

4 Here.

5 MS. SIMMONS:

6 Jan Moller?

7 (No response.)

8 MS. SIMMONS:

9 Secretary Pierson?

10 SECRETARY PIERSON:

11 Present.

12 MS. SIMMONS:

13 George Nassar?

14 MR. NASSAR:

15 Here.

16 MS. SIMMONS:

17 Darrel Saizan?

18 (No response.)

19 MS. SIMMONS:

20 Marshall Simien?

21 (No response.)

22 MS. SIMMONS:

23 Ronnie Slone?

24 (No response.)

25 MS. SIMMONS:

1 Dr. Shawn Wilson?

2 (No response.)

3 MS. SIMMONS:

4 Dr. Woodrow Wilson?

5 (No response.)

6 MS. SIMMONS:

7 Travis Holley?

8 MR. HOLLEY:

9 Here.

10 MS. SIMMONS:

11 Dr. Beverly Thompson?

12 (No response.)

13 MS. SIMMONS:

14 We have a quorum.

15 CHAIRMAN JONES:

16 Thank you, ma'am. To the Board, you have
17 been -- you should have received the minutes
18 from our October 26th meeting. I would
19 entertain a motion to approve. We have a
20 motion from Mr. Nassar; a second from Mayor
21 Toups. Any questions or comments from the
22 Board?

23 Any comments from the public?

24 Hearing none, all in favor say, aye?

25 ALL:

1 AYE.

2 MS. SIMMONS:

3 Any opposition?

4 There being none, the motion carries.

5 And we have moved up Industrial Tax
6 Exemption to the beginning of the agenda,
7 which is a little bit unusual. But in order
8 to cover some of these sticky issues that we
9 have in this section, we did this to make sure
10 we have a quorum during the discussion.

11 So Ms. Cheng, Mr. Usie, if y'all would
12 walk us through this, I'd appreciate it.

13 MS. CHENG:

14 Good morning. We have two Pre-EO
15 Applications, 20141263-A, Union Carbide
16 Corporation in St. Charles Parish; and
17 20151723, Union Carbide Corporation in St.
18 Charles Parish. The second application was
19 filed late.

20 CHAIRMAN JONES:

21 Okay. With the late filing, again, just
22 a reminder to Members of the Board as well as
23 the audience, Pre-EO Applications, when they
24 are filed late, there is a discretion on the
25 part of the Board on whether to apply a

1 penalty for that or not. Post-EO, and EO
2 stands for executive order 2016 for those of
3 you that are new to this game, Post-EO, that
4 was incorporated into the rules, so it's a
5 mandatory penalty. But here for the Pre-EO
6 situation, it's discretionary on part of the
7 Board. And as such, I would like to invite
8 someone from Union Carbide to come to the
9 table and walk us through what happened on
10 this so we can understand it.

11 And as you take your seat, I'll just ask
12 you to pull the mic up, the microphone close
13 to your face so we can be sure the court
14 reporter can pick up your comments and make
15 sure I can hear. So can you state your name
16 and your position with the company, please?

17 MS. DAIGLE:

18 Good morning. Rona Daigle, Senior Tax
19 Leader at Falcon.

20 CHAIRMAN JONES:

21 Thank you. Which is where at Union
22 Carbide? Is it part of --

23 MS. DAIGLE:

24 It's the parent to Union Carbide.

25 CHAIRMAN JONES:

1 Absolutely. Thank you very much. Tell
2 us what happened here and the cause for the
3 late filing.

4 MS. DAIGLE:

5 Basically, we had a change in personnel,
6 structure, and tax where everything local went
7 to Corporate, and we had a consultant help us
8 get our stuff together. And two and a half
9 months late, we were on filing the paperwork.

10 CHAIRMAN JONES:

11 Right. So this was a change in personnel
12 issue?

13 MS. DAIGLE:

14 Yes, sir.

15 CHAIRMAN JONES:

16 Fell between the cracks, so to speak?

17 MS. DAIGLE:

18 Yes, sir.

19 CHAIRMAN JONES:

20 All right. Again, this is up to the
21 Board. We can approve -- your options are
22 essentially this, you can approve both
23 contracts without penalty, you can approve the
24 first contract without penalty, the second one
25 with a penalty. Customarily, we've attributed

1 one-year penalty to a late filing or you can
2 up approve the first -- you can disapprove
3 both of them, you can -- those are kind of
4 your options. So with that, what is the
5 pleasure of the Board?

6 MAYOR TOUPS:

7 I will make a motion to approve both
8 contracts without penalty.

9 CHAIRMAN JONES:

10 We have a motion and a second to approve
11 both contracts without penalty.

12 Any comments or questions from the Board?

13 I'll -- I'm going to make a comment. I
14 am -- given this is discretionary, we just
15 need to understand, and we are certainly
16 sympathetic to personnel changes and how they
17 happen and we also understand the importance
18 of Dow to the State as well as the Parish, it
19 becomes difficult when we have the mom-and-pop
20 groups come in, especially Post-EO; whereas,
21 the penalty is mandatory, and those
22 mom-and-pops do not have the tax machinery
23 that Dow does or Union Carbide does. And so I
24 simply want the Board and the audience and
25 Union Carbide and Dow to know, while this is

1 not a statement about the contribution of Dow
2 to the company, but it troubles me a little
3 bit that -- this is when I don't like the
4 rules, frankly. And here we have discretion,
5 we have the power to exercise that discretion,
6 that doesn't mean that we should. I'm just
7 making sure the Board has seen both sides of
8 this point and considered both sides of the
9 point. So with that, any other comments or
10 questions?

11 All right. There is a motion to approve
12 both contracts without penalty. All in favor
13 say, aye.

14 ALL:

15 Aye.

16 CHAIRMAN JONES:

17 All opposed?

18 There is no opposition. The motion
19 carries. Thank you.

20 MS. GAUTREAU:

21 Chairman Jones, thank you for your
22 support. My name is Stacey Gautreau, and I am
23 the Director of Public Affairs for U.S. South
24 for Dow, and I want to say thank you for the
25 support of our business and what we are doing

1 in our communities and to your Board Members,
2 thank you so much.

3 CHAIRMAN JONES:

4 Absolutely.

5 MS. DAIGLE:

6 Thank you.

7 CHAIRMAN JONES:

8 Appreciate you.

9 All right. Let's move on.

10 MS. CHENG:

11 We have -- I'm sorry. We have 13 Post-EO
12 Applications under the 2018 rules. We do have
13 one request for a deferral from the company
14 that's for 20210171, Indorama Ventures
15 Olefins, LLC in Calcasieu Parish.

16 CHAIRMAN JONES:

17 I would entertain a motion to defer
18 Indorama Ventures Olefins. We have a motion
19 from Mr. Moss; second from Mayor Toups. Any
20 comments or questions from the Board?

21 Hearing none, any comments from the
22 public?

23 Hearing none, all in favor, say aye.

24 ALL:

25 Aye.

1 CHAIRMAN JONES:

2 Any opposition?

3 There being none, that motion carries.

4 The matter is deferred to the next meeting.

5 MS. CHENG:

6 20220056, ASH Industries, Inc. in
7 Lafayette Parish; 20220358, ASH Investments,
8 LLC, Lafayette Parish; 20220110,
9 Georgia-Pacific Port Hudson, LLC, East Baton
10 Rouge Parish; 20220447, Great Southern Wood
11 LA, Inc., Avoyelles Parish; 20210624,
12 Louisiana Green Fuels, LLC, Caldwell Parish;
13 20220260, Martco, LLC in Natchitoches Parish;
14 20210141, Neighbors, LLC in Ouachita Parish;
15 20220396, PQ, LLC in Rapides Parish; 20220026,
16 Reliable EDM, LLC in Lafayette Parish;
17 20220044, Shintech Louisiana, LLC in Iberville
18 Parish; 20200 -- sorry, 20200049B, Supreme
19 Rice, LLC, Acadia Parish; and 20220049,
20 Terviva Industries, LLC in Orleans Parish.

21 CHAIRMAN JONES:

22 All right. Is there a desire to take any
23 one of these up individually or is the
24 pleasure of the Board to take them up in
25 globo?

1 MR. MOSS:

2 I'd like to take them in globo.

3 CHAIRMAN JONES:

4 Okay. We have a motion to approve in
5 globo. Is there a second?

6 MR. NASSAR:

7 Second.

8 CHAIRMAN JONES:

9 We have a second from Mr. Nassar.

10 Now, I have a request to speak from Mr.
11 Hartie Spence, Jr. Do you wish to come speak,
12 Mr. Spence, for ASH Industries?

13 MR. SPENCE:

14 Thank you.

15 CHAIRMAN JONES:

16 Yes, sir.

17 MR. SPENCE:

18 I barely made it. I've been in a trade
19 show, one of the largest in North America, and
20 we have to go out and hunt for our business.
21 We've been in business 32 years. We
22 manufacture injection mold and thermoplastic
23 medical devices and electronic devices and
24 consumer goods for companies all over America.

25 There's very little in Louisiana for us

1 to hunt. It's astounding how much
2 manufacturing is done in the breadth of the
3 United States, and so we go many different
4 places. So I'm standing in this trade show
5 hall, and I'm talking with a bunch of
6 different people. And it was a great couple
7 of days. We had some fantastic leads. Across
8 the aisle from me was Rockwall, Texas, and
9 they stood there for two days and people
10 crowded around their booth and they begged
11 companies to come set up in Rockwall. And on
12 the aisle behind me was Ohio and Idaho and
13 Iowa and other places in Texas. All over the
14 United States, people are begging people to
15 come work there.

16 And you know, I understand what you're
17 doing. I appreciate your hard work. I really
18 do. I appreciate what you said earlier,
19 Mr. Jones, but I'll tell you, I think this
20 process may be looking into this wrong. This
21 is a competition. I grew up in Louisiana. We
22 are several generations deep in the State.
23 There is absolutely no reason, no reason for
24 us to be here other than the fact this is my
25 home. It would be really easy to pick up and

1 move to Texas. It would be a lot easier to
2 work there, the taxes would be less. I'd be
3 welcomed with open arms, have a lot more
4 incentives.

5 And when you're looking at this process,
6 I think you need to consider the fact that a
7 lot of these regulations have been written for
8 the bureaucrat. A lot of these regulations
9 have been written by soft-handed attorneys who
10 have no concept of value-added manufacturing,
11 who have no idea what they're doing, who have
12 no idea how they're interpreting this law.
13 And I think you might want to start pushing
14 back a little bit.

15 This process is ridiculous. We're a
16 small company. We really are. We've been
17 struggling for 30 years to build this business
18 and every nickel we invest into this business
19 is to create a job, is to create a process, is
20 to bring cash from somewhere else in this
21 country back to Louisiana and grow the State I
22 love. So this detailed information on
23 advanced notification and all the details have
24 to be on there or we may not know what the
25 details are. We're building a 10,000 square

1 foot facility and, every day, somebody is
2 coming to me with something else that needs to
3 be done in order to support the processes that
4 customers I have not met yet will require in
5 the next year or two.

6 There's no flexibility in these changes.
7 Once we do the notification, that's it. I
8 don't know if there are going to be additions.

9 I don't know what my customers are going to
10 ask of me. And after advanced notification is
11 done, we're done, we're finished, according to
12 the State process. And advanced notification
13 is restricted to 22 months.

14 I just found out that a common electrical
15 transformer that we must have for this new
16 building has been delayed by seven months. I
17 found out that the City of Lafayette cannot
18 get us a sewer line into an existing ancient
19 clay sewer line because of some complexities
20 they have. I cannot imagine the delays that
21 large companies have like Union Carbide and
22 others where some lead times on manufactured
23 goods that you need for new processes are 18
24 to 24 months. And here y'all are restricting
25 us to a 24-month advanced notification.

1 And due to these complexities and these
2 new rules, my costs are going up. I don't
3 have expert help. You're looking at the
4 expert help. You're looking at the field
5 sales guy, you're looking at the guy who
6 unclogs the commode and the guy that signs the
7 check. We have 112 people that every single
8 person is utilized in our facility. We don't
9 have time for bureaucratic monkey business.

10 Anyway, I don't know how this is going to
11 affect the process, but I would very much
12 appreciate it if you would start facing the
13 fact that unless we open up the State, and
14 unless we add jobs, unless we add companies,
15 unless I can find customers around the corner,
16 we're going to all starve to death while
17 everybody around us is doing really well.
18 This is a fight, and I need y'all to turn this
19 around and make this a competitive fight that
20 we can win. And let's do something good for
21 Louisiana. I appreciate it.

22 CHAIRMAN JONES:

23 Before you go, I think Mr. Secretary had
24 some comments.

25 SECRETARY PIERSON:

1 I can't say I agree with all the points
2 that you've outlined here and, certainly, you
3 have a right to express your opinion, and I
4 appreciate that. And I do think we compete
5 very favorably against Texas. We can talk
6 about that offline. We really need to
7 understand the tax structure. While it may
8 not be an indirect income tax or property
9 taxes, other things go into the mix. But I do
10 want to go over a few --

11 MR. SPENCE:

12 Louisiana didn't have a booth at that
13 show.

14 SECRETARY PIERSON:

15 Pardon me, sir. I'd like to complete
16 this conversation. But I do agree with your
17 point regarding an advanced notification. An
18 advanced notification is indeed an estimate.
19 There are elements, as you have correctly
20 described, that are unknown. To me, it
21 doesn't matter whether you're building a house
22 and you sign that contract with a contractor
23 for X amount of dollars, and then along the
24 way, you decide that you want to upgrade the
25 appliance package and master bathroom or what

1 have you, the investment at the end will
2 likely be different than what was envisioned
3 on day one, and the advanced notification is
4 important to us. First of all, it is the
5 signal for the but for. Why should the State
6 afford any tax abatement?

7 Well, when you sign that advanced
8 notification, you're saying you considered
9 other options and you chose Louisiana; and in
10 return for that, we are willing to enter into
11 this public private partnership. So that also
12 signals the Assessor and others that they can
13 inspect this property and see what the
14 improvements were there before the project got
15 started. So there's lots of ramifications to
16 the advanced notification.

17 One of the modifications that we made to
18 ensure that the taxpayers got delivery of the
19 services, the jobs, the investment promised by
20 the industry, it was to introduce Annex A,
21 CEA, the Cooperative Endeavor Agreement, the
22 contract that you signed, that should be the
23 document that governs this transaction between
24 the applicant and the State.

25 So advanced notifications are very

1 important to us. We do acknowledge your
2 correct points that at the time of the
3 submission of an advanced notification, the
4 best you can do is give the best information
5 you have. And you'll find out about that clay
6 line sewer connection that needs to be made
7 that cost more money later. So we will look
8 internally at LED and make sure that we are
9 not putting up an artificial barrier to
10 additional investment because of a requirement
11 that you're supposed to make on day one of
12 notifying us about the program. The program
13 needs to be one that acknowledges that as your
14 best available information, but your
15 requirements are actually dictated in the
16 final documents as you execute Annex A, which
17 is the Cooperative Endeavor Agreement that
18 will come to the Board. But I just wanted to
19 let you know that we are willing to undertake
20 process improvements. We remain open to that.

21 CHAIRMAN JONES:

22 Thank you, Mr. Secretary. Any other
23 comments or questions from the Board?

24 All right. Thank you, sir. I appreciate
25 you being here today.

1 I've never been called a soft-handed
2 attorney before. In any event, we have a
3 motion and a second to approve all contracts.
4 All in favor, say aye.

5 ALL:

6 Aye.

7 CHAIRMAN JONES:

8 Any opposition?

9 There being none, the motion carries.

10 All right. Next?

11 MS. CHENG:

12 We have 30 Timely Pre-EO Renewal
13 Applications. Would you like me to read all
14 30?

15 CHAIRMAN JONES:

16 I don't believe it's necessary to read
17 all 30, Ms. Cheng. We have -- all the Board
18 Members have the list of contracts that are
19 under the Pre-EO Renewal summary. You've been
20 given that information previous to this
21 meeting. It is also in the agenda that's
22 handed to the public.

23 So with that, I would entertain a motion
24 to -- take a motion in globo. Now having said
25 that, if anybody wants to pull any one of

1 these contracts out and speak to them
2 specifically separately, obviously, we can do
3 that as well.

4 MR. MOSS:

5 I move for approval in globo.

6 CHAIRMAN JONES:

7 We have a motion from Mr. Moss to approve
8 them in globo.

9 Do we have a second? Have a second by
10 McQuain.

11 Any questions or comments from the Board?

12 Any comments from the public?

13 MR. FABRA:

14 Mr. Chairman?

15 CHAIRMAN JONES:

16 Yes, sir?

17 MR. FABRA:

18 I do have a question.

19 CHAIRMAN JONES:

20 Sure.

21 MR. FABRA:

22 Just on the Pre-Executive Order, the one
23 that was late, can we discuss that before we
24 do approval in globo?

25 CHAIRMAN JONES:

1 Okay. I'm -- you mean going back to
2 Union Carbide?

3 MR. FABRA:

4 No, this is -- is that -- it's under the
5 30 new Pre-EO Renewals. It's --

6 CHAIRMAN JONES:

7 Which one?

8 MS. CHENG:

9 That's a separate section.

10 MR. FABRA:

11 -- Pre-Executive Orders, late renewal.

12 MS. CHENG:

13 That's a separate section.

14 MR. FABRA:

15 Okay. That's a separate one. Okay.

16 MS. CHENG:

17 That's our next agenda item.

18 MR. FABRA:

19 Okay.

20 CHAIRMAN JONES:

21 Yeah, we're not quite there yet.

22 MR. FABRA:

23 Okay. I'm jumping the gun then. Don't
24 worry.

25 CHAIRMAN JONES:

1 No worries.

2 MR. FABRA:

3 I didn't want to be accused of being
4 soft.

5 CHAIRMAN JONES:

6 All right. Thank you, sir. We have a
7 motion and a second to approve these in globo.
8 Again, any comments from the public?

9 Hearing none, all in favor, say aye.

10 ALL:

11 Aye.

12 CHAIRMAN JONES:

13 Any opposition?

14 There being none, the motion carries.

15 Thank you.

16 MS. CHENG:

17 We have one post -- sorry, one Pre-EO
18 Late Renewal. We did receive a request from
19 the company to defer to March.

20 CHAIRMAN JONES:

21 We have a request --

22 MS. CHENG:

23 And it's 20141329, G.E.O. Heat
24 Exchangers, LLC in Iberville Parish.

25 CHAIRMAN JONES:

1 And they wish to defer?

2 MS. CHENG:

3 Yes, sir.

4 CHAIRMAN JONES:

5 Okay. We have a -- we will entertain a
6 motion to defer. Motion by Dr. McQuain;
7 second from Mayor Toups.

8 Any questions or comments from the Board?

9 Hearing none, any comments from the
10 public?

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

12 ALL:

13 Aye.

14 CHAIRMAN JONES:

15 Any opposition?

16 Hearing none, the motion carries.

17 MS. CHENG:

18 We have two Post-EO Timely Renewals,
19 20161956, Intralox, LLC in Jefferson Parish
20 and 20161807, Stabilis LNG Port Allen, LLC in
21 West Baton Rouge Parish. There was only one
22 reporting year of noncompliance for Stabilis
23 LNG Port Allen, and that was already handled
24 by this Board. There was no penalty.

25 CHAIRMAN JONES:

1 Okay. So let me -- just, again, the
2 level set, so we all understand what has
3 happened here. Basically, we had, if you look
4 at your table, you'll see the annual
5 compliance column on the right-hand side,
6 which summarizes the compliant. CP means
7 compliant. You see in reporting year three
8 for Stabilis LNG Port Allen, there was a year
9 three, there was an issue of noncompliance,
10 but Ms. Cheng, what I'm understanding is the
11 Board dealt with that at that time; is that
12 correct?

13 MS. CHENG:

14 Yes, sir.

15 CHAIRMAN JONES:

16 All right. So now, the issue is, do we
17 renew these two contracts? Any -- a motion
18 from Mr. Nassar to approve; second from Mayor
19 Toups.

20 Any questions or comments from the Board?

21 Hearing none, any comments from the
22 public?

23 Hearing none, all in favor, say aye.

24 ALL:

25 Aye.

1 CHAIRMAN JONES:

2 Any opposition?

3 Hearing none, the motion carries.

4 MS. CHENG:

5 We have eight Transfer of Contract
6 Requests. We do have a request for deferral
7 from Orion Instruments, LLC, 20130525,
8 20140269, 20150639, and 20160763.

9 CHAIRMAN JONES:

10 So can we entertain a motion to defer on
11 Orion Instruments?

12 MR. MOSS:

13 So moved.

14 CHAIRMAN JONES:

15 A motion from Mr. Moss; second from Mr.
16 St. Blanc.

17 Any questions or comments from the Board?

18 There being none, any comments from the
19 public?

20 Hearing none, all in favor, say aye.

21 ALL:

22 Aye.

23 CHAIRMAN JONES:

24 Any opposition?

25 There being none, the motion carries.

1 That matter is deferred to the next meeting.

2 MS. CHENG:

3 Next, we have Specialty Products U.S.
4 LLC, 20130249-PT, 20150356-PT2, 20130206-PT2,
5 and 20140422-PT in St. Charles Parish. Those
6 contracts are being transferred to MC US 3,
7 LLC.

8 CHAIRMAN JONES:

9 Entertain a motion for approval? We have
10 a motion from Mr. Moller; second from
11 Ms. Freiberg.

12 Any questions or comments from the Board?

13 Hearing none, any comments from the
14 public?

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

16 ALL:

17 Aye.

18 CHAIRMAN JONES:

19 Any opposition?

20 There is none, the motion carries.

21 MS. CHENG:

22 We have two Requests to Cancel their
23 active contracts, one from Borne Technologies,
24 20200128, the company requests cancellation.
25 It's in Ascension Parish; and Ohmstede, LTD,

1 20180424, the company requests cancellation.

2 They're located in Iberville Parish.

3 CHAIRMAN JONES:

4 Entertain a motion to approve these
5 cancellations? Motion from Mr. Moss; second
6 from Mr. Moller.

7 Any comments or questions from the Board?

8 Any comments from the public?

9 Hearing none, all in favor, say aye.

10 ALL:

11 Aye.

12 CHAIRMAN JONES:

13 Any opposition?

14 There being none, the motion carries.

15 MS. CHENG:

16 We have four Special Requests, but we
17 have a request to defer LA3 West Baton Rouge,
18 LLC, contracts 20161942, 20170443, and
19 20170504.

20 CHAIRMAN JONES:

21 I'll entertain a motion to defer LA3
22 West? Motion from Mayor Toups; second from
23 Ms. Freiberg.

24 Any comments or questions from the Board?

25 Hearing none, any comments from the

1 public?

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

3 ALL:

4 Aye.

5 CHAIRMAN JONES:

6 Any opposition?

7 There being none, the motion carries.

8 MS. CHENG:

9 The next Special Request is from Sierra
10 Frac Sand, LLC, 20180502. LED received a
11 letter and supporting documentation from
12 Sierra Frac Sand, LLC requesting to amend the
13 ITEP contract period to commence on 1/1/2023
14 instead of 1/1/2021.

15 CHAIRMAN JONES:

16 All right. We have someone here from
17 Sierra Frac Sand? Please state your name and
18 your position with the company, please.

19 MR. VILLA:

20 Good morning. Troy Villa, attorney for
21 Sierra Frac Sand.

22 CHAIRMAN JONES:

23 Thank you. Ma'am?

24 MS. AMICK:

25 Good morning. Kip Amick, I'm Manager of

1 Sierra Frac Sand, LLC.

2 CHAIRMAN JONES:

3 Okay. Thank you for being here. All
4 right. I know we've had the company before
5 the Board in times past on a couple of issues.
6 What have we before us today?

7 MR. VILLA:

8 Well, I'll try to keep it simple, Mr.
9 Chairman.

10 CHAIRMAN JONES:

11 Okay.

12 MR. VILLA:

13 Sierra Frac Sand received its ITEP
14 contract signed by the Governor as of
15 December 15, 2022, just last month. It
16 relates to an expansion project that started
17 with an advanced notice in 2018. The project
18 was completed in 2020, December 2020, it
19 became operational then. The application was
20 filed under the rules within 90 days of the
21 completion of it, but it took us 18 months,
22 almost 18 months to get to the Board for
23 approval last August. There are a lot of
24 delays outside of Sierra Frac's contribution
25 to that, that got us there.

1 In between that beginning or when it
2 becoming operational, Sierra Frac started
3 paying the taxes that they were assessed on
4 the property of the expansion under protest.
5 We thought that would be enough to protect
6 ourselves once the ITEP contract came into
7 effect, because we were aware of the Rule 525
8 that the contract becomes effective as of
9 December 31st of the year the project is
10 completed, becomes operational. We paid under
11 protest believing that was going to protect us
12 once the contract finally got signed.
13 Unfortunately, it did not.

14 Second Circuit -- the case got up to the
15 Second Circuit District Court in Shreveport
16 and dismissed our petition for a refund. The
17 Second Circuit claimed that it's the time you
18 pay the tax is where the property is exempt or
19 not. It's not what happens after the fact.
20 And they went so far as to say that we have no
21 authority to authorize a retroactive ITEP
22 contract.

23 The effect of the Rule is in effect now
24 and, basically, leaves Sierra Frac with a
25 three-year exemption for the first five years

1 because we've paid our tax. The taxing
2 districts have received their funds for the
3 years after it became operational; in fact,
4 the year before it can became operational.
5 We're asking for the contract under the
6 authority of the constitution of the Board to
7 amend the terms of the contract to provide
8 that it's effective beginning this year, the
9 first year of the exemption to give us the
10 first full five years, I should say.

11 The Board approved a full five-year
12 exemption. The School Board, the Parish
13 Council, the Sheriff all approved a five-year
14 exemption, but the letter of the contract
15 reads because of the dismissal of our refund
16 suit by the Second Circuit leaves us with just
17 a three-year effective benefit. So we're not
18 looking to have a retroactive apply to any
19 prior period. We're looking for a prospective
20 contract that would give us that full benefit
21 that you all approved.

22 CHAIRMAN JONES:

23 Thank you, Mr. Villa. Any comments or
24 questions from the Board for Mr. Villa or
25 Ms. Amick?

1 I know this is complicated, and you did a
2 great job of summarizing. Thank you,
3 Mr. Villa, but still --

4 MR. VILLA:

5 Sure.

6 CHAIRMAN JONES:

7 These are still a lot of issues that are
8 kind of wrapped into this. I know Ms. Porter,
9 the attorney for the LED, has been working
10 with Sierra Frac Sand trying to get us to this
11 point where the Board can make a reasoned
12 decision. So I would ask Ms. Porter to come
13 forward perhaps.

14 One of the things I try to do, although,
15 LSU was kind enough to graduate me from its
16 law school, I try not to be the lawyer for the
17 Board and let the LED lawyers be the lawyer
18 for the Board. So I'm going to ask for some
19 guidance from our legal counsel on this. So
20 if you would state your name and your position
21 with LED for the record, please.

22 MS. PORTER:

23 Good morning. Robin Porter, Executive
24 Counsel for LED.

25 MR. TALBOT:

1 And good morning, Drew Talbot, Special
2 Outside Counsel for LED.

3 MS. PORTER:

4 So I'd like to just read into the record
5 what, from research that I have understanding,
6 basically, to understand kind of the
7 background on this. So Sierra Frac Sand
8 started construction on the initial investment
9 prior to filing an ITEP advance. ITEP Rule
10 503 provides that an advance must be filed
11 prior to the beginning of construction or
12 installation of facilities on all projects for
13 tax exemption. This means that since there is
14 no advance on record on January 1st of the
15 year after the initial investment was placed
16 into service, the initial investment property
17 was not eligible for the ITEP exemption, and
18 Sierra Frac's initial investment property
19 appropriately went on the tax rolls.

20 So, subsequently, the company then filed
21 an ITEP advance for the expansion project.
22 The expansion project was completed and placed
23 into service as described by Attorney Villa on
24 December 17, 2020, rendering the effective
25 date of the tax exemption contract as December

1 31st, 2020. The Board approved the Exhibit A
2 for the exemption on August 24th, 2022. After
3 the Board and local approval, Sierra Frac
4 signed the Exhibit A on November 26th, 2022.
5 Oh, correct, it was approved for a ten-year
6 exemption.

7 Sierra Frac is coming now before the
8 Board to request an amendment to the Exhibit A
9 to alter the effective date of the exemption
10 start date. There is currently no provision
11 in the ITEP Rules that allow us to modify the
12 effective date as requested; therefore, our
13 hands are tied with that. In other words,
14 altering the effective date from January 1,
15 2021 to the later date of January 1, 2023,
16 will violate ITEP Rule 525. And Rule 525
17 requires an effective date of the tax
18 exemption contract to be December 31st of the
19 year in which the effective operation began or
20 construction was essentially completed,
21 whichever is first.

22 Sierra Frac's expansion project was
23 completed on December 17, 2020, which rendered
24 the effective date of the exemption contract
25 December 31, 2020 in compliance with Rule 525.

1 The tax exemption year then begins January 1st
2 of that following year 2021. ITEP Rules are
3 promulgated under the authority of the
4 Louisiana Constitution, Article VII, Section
5 21F, and I quote: The State Board of Commerce
6 and Industry with the approval of the Governor
7 may enter into contracts for the exemption on
8 such terms and conditions as the Board with
9 full approval of the Governor deems in the
10 best interest of the State. The Board has
11 great latitude and discretion to promulgate
12 rules for the administration of programs and
13 we must abide by these rules, regardless of
14 maybe of what a Tax Commission rule or
15 dictated from the Second Circuit may state,
16 the constitutional provision of ITEP and
17 corresponding rules dictate what the Board and
18 the Governor have determined are in best
19 interest of the State with regard to the
20 Industrial Tax Exemption. Rules enacted
21 pursuant to the Louisiana Constitution trumps
22 State statutes.

23 So, currently, the ITEP rules regarding
24 applying the tax exemption retroactively is
25 not only legal, but retroactive overrides the

1 Legislature or Tax Commission's action to
2 strip the program of this retroactivity. So
3 to grant Sierra Frac's request to alter the
4 effective date of the exemption after the rule
5 changed or a constitutional amendment would
6 cause a direct violation of ITEP Rules.
7 Basically, our hands are tied here.

8 CHAIRMAN JONES:

9 All right. I'm -- let me see if I can
10 capsule what I think you said. Essentially,
11 we have -- what Sierra Frac itself is saying,
12 all right, guys, we failed to file our
13 advanced notification, okay, but we went ahead
14 and started paying taxes, paid them in
15 protest; now, we thought that would take care
16 of us, but the Second Circuit up in -- and
17 Mr. Villa, I'll allow you to come correct me
18 if I start going off the rails here -- Second
19 Circuit has disallowed that payment in protest
20 and so the payment had to be made. So,
21 essentially, what my understanding of the
22 argument is, is that now that we're in a
23 situation we've had to pay two years of taxes,
24 can we simply fix this by extending the
25 contract for another two years by essentially

1 moving the effective date of the contract so
2 that we can get the full benefit of the
3 ten-year exemption.

4 MS. PORTER:

5 The ten-year, correct.

6 CHAIRMAN JONES:

7 That's the -- what my understanding is,
8 and Mr. Villa can correct me if I'm wrong.
9 But what I understand your response is, is
10 that the rules, I think specifically Rule 525B
11 --

12 MS. PORTER:

13 Correct.

14 CHAIRMAN JONES:

15 -- simply establishes that the effective
16 date shall be --

17 MS. PORTER:

18 It's a shall.

19 CHAIRMAN JONES:

20 -- December 31 of the year in which
21 effective operations began.

22 MS. PORTER:

23 Right.

24 CHAIRMAN JONES:

25 And it's your contention, I believe, that

1 the Rule simply does not allow us to -- we
2 can't override that Rule and amend contracts;
3 am I fairly stating your position?

4 MS. PORTER:

5 Their request today, there is no way
6 based on the Rule today, that we would be able
7 to grant that.

8 CHAIRMAN JONES:

9 Okay.

10 MS. PORTER:

11 It would be a violation of the ITEP Rule,
12 so you're right.

13 CHAIRMAN JONES:

14 We would have to amend the Rule, which
15 requires --

16 MS. PORTER:

17 Well, if you so choose, it would require
18 a rule promulgation or a constitutional
19 amendment. But as it stands today, we're --
20 we're not able -- our hands are tied. We
21 would be violating a rule to allow that to
22 happen.

23 CHAIRMAN JONES:

24 And I want folks to understand under the
25 Administrative Procedures Act, changing a rule

1 does not happen immediately.

2 MS. PORTER:

3 No, it doesn't.

4 CHAIRMAN JONES:

5 It happens over the course of several
6 months. And so I don't want anybody to go,
7 well, let's just change the rule. No, that's
8 -- it's simpler said than done. So with that,
9 I hope I have helped folks kind of understand
10 what the tension between Sierra Frac Sand and
11 the LED Rules are. Now with that, I'm going
12 to ask Mr. Villa to come back and correct my
13 -- where I'm missing his arguments. So I --
14 and forgive me for the musical chairs, but we
15 have no better way of doing this.

16 MR. VILLA:

17 Thank you for the chance to reply.

18 CHAIRMAN JONES:

19 Yes, sir.

20 MR. VILLA:

21 In August, you said at this hearing that
22 there's been a lot of noise about this
23 contract, this application. But in the end,
24 it looks like Sierra, the taxpayer, did
25 everything correct with respect to that. I

1 think the noise continued, because when we
2 talk about an advanced notice on a different
3 project.

4 CHAIRMAN JONES:

5 Right.

6 MR. VILLA:

7 When Sierra Frac first moved to the
8 State, they wanted to get ITEP on that
9 original plan. They didn't do what they
10 needed to do because of some technicalities in
11 the way their code, for instance, was set up.
12 So they didn't get it they didn't file an
13 advanced notice on that. They never filed an
14 application. That's not before you. The only
15 thing before you is the expansion project.

16 CHAIRMAN JONES:

17 Expansion.

18 MR. VILLA:

19 We did everything we're supposed to do
20 there. We filed the advanced notice timely.
21 We did construction. We finished construction
22 on time. We applied -- we made application in
23 time. What happened after that was not in
24 time. Eighteen months, seventeen months to
25 get to the Board to even hear it was the

1 problem. We had to pay under protest in that
2 time period to protect ourselves. We thought
3 we were going to get the protection of that.

4 That's the tried and true strategy and
5 various forms of the sale of taxes that didn't
6 pan out. The Second Circuit said, no, it's
7 the time the contract is signed, you don't
8 have any exemption until then. So at the time
9 the taxes were paid is not exempt, you have no
10 claim for it, so we dismissed you. But they
11 also went further to say, you can't have a
12 retroactive ITEP contract.

13 So my point is that the Rule is not in
14 invalid in a lot of cases. It's just not
15 complete. It doesn't contemplate every
16 scenario that can come up. And the Second
17 Circuit alluded to that and said this could be
18 a trap for the unwary. If you have a contract
19 that doesn't get approved until later in the
20 year and there's another delay in getting the
21 contract signed by the Governor and approved
22 by the locals, then you're going to have that
23 same problem again. And they have found that
24 payment under protest is not an option that's
25 going to protect the taxpayer. We thought it

1 would be and it was not.

2 CHAIRMAN JONES:

3 And I probably shouldn't even make this
4 commentary, but I just can't help myself. I
5 read the Second Circuit opinion, and good
6 judges on the Second Circuit, but I'm afraid
7 that litigation missed some important guidance
8 from LED, because LED was not a party to that
9 lawsuit. And I think some of the dicta that
10 came in that opinion was a result of not
11 getting valid explanation or, perhaps,
12 contribution from LED on how the rules work
13 and, because frankly, I just disagree. I
14 don't think it's a trap for the unwary.

15 I -- we have had -- I've been sitting on
16 this board for, like, 1200 years, or at least
17 it seems like that, and we've had a lot of
18 people figure out how to navigate it from big
19 companies to small companies. And to -- and,
20 frankly, this is the first time this situation
21 has ever risen its head. And so I'm
22 sympathetic to Sierra Frac Sand's situation,
23 but this is the struggle I have, and I can't
24 speak for the Board, when we set rules as, you
25 know Mr. Villa, when we go through a

1 rule-making for this Board and as for any
2 administrative board in the State of
3 Louisiana, it's a process. We have to --
4 first of all, this Board has to adopt the
5 rule, then it has to go to the legislative
6 oversight committee, and that legislature
7 committee has to say grace on that rule, then
8 it has to go to the Attorney General, then it
9 has to go to the Governor. And so that, when
10 the rules are set, the rules are set.

11 And in my mind, at least what Sierra Frac
12 Sand is asking this Board to do is say, well,
13 listen, we know that's what the rule says, but
14 this situation calls for a different result.
15 And I might be sympathetic to that, except
16 what that smacks of now is arbitrary and
17 capricious application to the rule.

18 MR. VILLA:

19 Well --

20 CHAIRMAN JONES:

21 And that --

22 MR. VILLA:

23 I'm sorry, I didn't mean to interrupt
24 you. I'm sorry.

25 CHAIRMAN JONES:

1 And that's my concern. My personal
2 concern is when we start deviating from the
3 rules saying, well, that's just an unfair
4 result and application of these facts, then we
5 start opening ourselves to those. Because
6 once you open that door, once we open the door
7 and say, listen, depending on the facts, we'll
8 determine whether we apply this rule or not,
9 that becomes problematic. And so that, that's
10 Jones's concern.

11 MR. VILLA:

12 I understand. And I appreciate the
13 rules. In fact, I prefer to have the rules to
14 know what the rules of the game are before we
15 go in. We knew those rules going in. We did
16 everything we could to try to and mitigate
17 what that effect would be. The courts have
18 said, no, sorry, that's not a viable option
19 for you. So what we're asking is not that you
20 undo the Rule, but the constitution gives you,
21 with the Governor's approval now, the
22 authority to set the terms of the contract.
23 So we're saying, your constitutional authority
24 to do that isn't relinquished by the fact that
25 you have a set of rules, because you and the

1 Governor -- we have to get the Governor.

2 CHAIRMAN JONES:

3 I think that's where I differ from you.
4 I think what we have done pursuant to the
5 constitution is set a set of rules and said,
6 these are the terms and conditions under which
7 we're going to operate. And I think once we
8 set the rules, we abide by the rules until
9 they are amended. And so, again, that's
10 general practice.

11 Excuse me just a second, Mr. Chairman has
12 requested a comment. Go right ahead.

13 SECRETARY PIERSON:

14 Don Pierson, Secretary LED. Just trying
15 to get clear on background, and just as a
16 caveat on the front end, I do understand and
17 believe that our hands are tied here today.
18 In the background of this, great company,
19 greatly appreciate the investments they've
20 made and activities they've conducted in
21 Northwest Louisiana, I'm very familiar with
22 that. You file the advance and we know that
23 the project was placed into service on the
24 17th of December 2020. And then you spoke
25 about a delay, and I recall that Sierra came

1 to the Board and asked to be on the agenda,
2 and I think withdrew and departed. And, you
3 know, you get a blackout period there where we
4 don't get information necessarily. And then
5 it comes back to the day as provided,
6 August 24th. The Board acts November 22, and
7 we complete our handshake.

8 The disruption in the delay and the
9 process, I'm not clear on that. We've had
10 COVID. We've had other disruptions to the
11 process, but can you -- what was this period
12 of time in which there was not consummation of
13 the documents between Frac and C&I?

14 MR. VILLA:

15 There were a few instances. One, the
16 payment of protest, I think, through the staff
17 for a little bit of a loop. Ms. Cheng can
18 testify to it. She was actually asked to
19 provide a deposition, or an affidavit I should
20 say, in support of the taxing districts and
21 the Assessor to dismiss our petition. So she
22 got drug into this involuntarily,
23 unfortunately. And I think that may have
24 caused a little bit of delay. The other thing
25 was that in her deposition though, she stated

1 that, one, Sierra had submitted everything
2 they needed to. They -- whatever followup
3 they needed from the staff, we had gotten it
4 to them. So as of August of 2021, the only
5 thing missing was the millage verification
6 from the Assessor.

7 Okay. And that critical path was what
8 was holding up our application. We actually
9 filed a rule to get the Assessor to submit it,
10 because he believed that he was prohibited
11 from doing it because of the litigation,
12 because he's named in the litigation. We
13 disagreed with that. Anyway, by November,
14 before there was a hearing on that in
15 Shreveport, he submitted the millage
16 verification, I think it was November 15th,
17 and Ms. Cheng can verify that. That was one
18 delay.

19 At that point, the property was on the
20 tax rolls. You all, the LED knew about that
21 because they knew we paid under protest. They
22 were asked to give an affidavit. We then were
23 told that we had to comply with Rule 517 under
24 the ITEP Rules, which was, since the property
25 has been assessed, you need to get the

1 Assessor to agree to remove it from the rolls
2 if your contract gets granted and you need to
3 ask all the local districts to do the same
4 thing. Okay. We didn't think Rule 517
5 applied, but we went through that process,
6 because we knew it wasn't going to move out of
7 LED until that happened. That took six
8 months. We had to coordinate with the School
9 Board, with the Parish Council, and with the
10 Sheriff. Some of them got through very
11 quickly. The School Board delayed until May
12 of 2022 to give us their letter, and then the
13 Assessor, who initially refused to give it,
14 finally gave a letter in July. It wasn't
15 quite exactly what we had asked for.

16 But Tam Bourgeois at the time, met with
17 Tam, and Tam said, I'm going to move this
18 along to the Board under Special Requests.
19 And if you remember last August, we were here
20 under Special Requests. So it was kind of a
21 confluence of all of those things that got to
22 be a delay. I don't know if there's any
23 coding aspect, I have nothing to say there. I
24 know the millage verification was one. I know
25 the litigation may have played a part of it.

1 And that compliance with Rule 517, getting the
2 property off the tax rolls if it gets granted,
3 if it gets granted was another one that, okay,
4 it was kind of unique. I don't think it was
5 ever, ever brought up before.

6 But in any event, Bossier Parish had
7 taken whatever approach they were taking as
8 far as assessing property and everything else.
9 We were assessed property on this expansion
10 before we even finished completion of it,
11 okay, and I mentioned that in August. We
12 ended up paying tax on it for 2020, because we
13 didn't have an exemption; '21 and '22, because
14 we didn't have a contract yet. So I don't
15 know if that answers all your questions, Mr.
16 Secretary, but those are the only things that
17 I can explain and maybe your staff can
18 elaborate on that.

19 SECRETARY PIERSON:

20 Well, thank you for providing that more
21 detailed background. My sense of it is, and
22 there was a delay in the process, which is
23 delaying the proposed term of the tax exempt
24 status. But I feel like in part, in part,
25 that Frac chose to go and work through the

1 court system and do other, what they believe,
2 right or wrong, I don't know, unnecessary
3 activities that place a portion of this delay
4 on the corporate side of the process. That's,
5 again, just trying to understand the
6 background.

7 MR. VILLA:

8 Sure.

9 SECRETARY PIERSON:

10 We're still, by rules, hands tied. But
11 there was participation, perhaps, in the delay
12 that was initiated by Sierra.

13 MR. VILLA:

14 Well, I respectfully disagree with that.
15 We paid under protest to protect everything,
16 protect our rights here, hopefully, and to
17 protect the taxing districts. They were not
18 going to be short anything. The money was in
19 escrow the whole time. We couldn't ignore the
20 tax notices. We couldn't undo the tax
21 notices. We couldn't ignore them and risk
22 that the property would have gone to a tax
23 sale. So we did everything we could to
24 protect everything, what hopefully was going
25 to be a contract that was going to be

1 effective December 31, 2020 when it went live.
2 We weren't going to be out any of the benefit
3 that the ITEP program offers us, the full five
4 years. It's what you all approved.

5 So I'm just here to today to tell you
6 that what you all approved by rule is not
7 going to give this taxpayer a full five years
8 here. And although the rule is not wrong,
9 it's just not complete. It doesn't deal with
10 the situation where you are going to have a
11 natural delay in a Board approval and getting
12 the contract signed. And there's a confluence
13 here of tax law, property tax law, what the
14 Assessors have to do, and what LED wants to do
15 with this incentive, and they don't all wind
16 up in the rules very clearly right now. And
17 the Second Circuit's ruling, dicta or not,
18 sort of emphasizes that; that, yeah, there may
19 be a trap, but this is what the Assessor must
20 do, he must assess as of the condition of the
21 property on January 1 of that year. So if
22 it's not exempt, it's not exempt. Okay. And
23 the Tax Commission's passed a recent rule
24 that's going to emphasize that too, has
25 emphasized that. I think they're just stating

1 what the law is and the Second Circuit
2 recognized.

3 So if the rules provide for us to file
4 our application when we did, and that's
5 timely, it's going to create this situation in
6 another -- in other applicants possibly in the
7 future. So, again, I appreciate your time.
8 We've sort of said all we can say on it.

9 CHAIRMAN JONES:

10 I appreciate it, Mr. Villa. Any other
11 comments or questions from the Board?

12 Any other comments from the public?

13 First of all, do I have a motion -- not a
14 motion from the Board. I'm not asking for a
15 motion; I'm asking for comments. I'm getting
16 ahead of myself. We have the issue now is, do
17 we grant the Special Request that we move the
18 effective date of the contract from, get my
19 dates correct here, from January 1, 2021 to
20 January 1, 2023, that is the request? Do I
21 have a motion?

22 SECRETARY PIERSON:

23 Before we do the motion, sir?

24 CHAIRMAN JONES:

25 Go right ahead.

1 SECRETARY PIERSON:

2 Yeah, I just wanted to get some legal
3 clarity here to make a motion, to take an
4 action that would violate one of our rules, I
5 don't know that we can put a motion like that
6 on the table that is not a qualified
7 consideration.

8 MS. PORTER:

9 That's true. That is correct.

10 CHAIRMAN JONES:

11 So your point is, is that we can't even
12 entertain a motion to grant the request?

13 SECRETARY PIERSON:

14 I just don't think --

15 MS. PORTER:

16 That is correct.

17 SECRETARY PIERSON:

18 -- that we have the ability to do that.
19 So I would hate to bring that before the
20 Board. It would be --

21 CHAIRMAN JONES:

22 All right. Sounds like it falls on Jones
23 then.

24 All right. We will move on. Having said
25 that, anybody familiar with the tuck rule in

1 the NFL? You know what that is? It's the
2 issue about when the quarterback throws the
3 ball and that puts the forward progress in his
4 hand, that hadn't always been the rule. They
5 had to change the rule in the NFL at some
6 point because we had a big play back in the
7 Superbowl back in the prehistoric times, and
8 they decided, you know, we need to clarify the
9 rules. And so this may be one of those things
10 that we need to think about as we move forward
11 when we look at these rules. Again, this is
12 an unusual situation. It hasn't happened
13 since I've been on the Board, but that doesn't
14 mean that's not something worthy of debate and
15 discussion in the future.

16 SECRETARY PIERSON:

17 Mr. Chairman?

18 CHAIRMAN JONES:

19 Yes?

20 SECRETARY PIERSON:

21 And just before we leave this, just to
22 leave us with some clarity, my appreciation is
23 the contract will remain in place that Sierra
24 Frac Sand on this expansion will enjoy three
25 years, hopefully, a five-year Renewal, so

1 eight years of value for the exemption. They
2 just weren't able to rearrange the terms of
3 the exemption; correct?

4 CHAIRMAN JONES:

5 Correct.

6 SECRETARY PIERSON:

7 Thank you.

8 CHAIRMAN JONES:

9 All right. Thank you, Ms. Porter.

10 All right. Let's move on, Ms. Cheng.

11 MS. CHENG:

12 The next item we have on our agenda is
13 the Noncompliance, Post-EO Noncompliance, and
14 there are eight under the 2017 Rules. We have
15 one contract, 20170070 for Mauser USA, LLC,
16 and one contract for 20170234 for Talon
17 Industrial in Ascension Parish. They were
18 noncompliant for the 2018, 2019, and 2020
19 reporting periods. Talon Industrial, LLC is
20 the owner of the building with Mauser USA, LLC
21 being the manufacturer located within the
22 building. These contracts cover one project
23 at the same project site and share an Exhibit
24 A agreement outlining the required annual jobs
25 and payroll to be created and maintained by

1 Mauser.

2 CHAIRMAN JONES:

3 All right. Do we have someone here from
4 Mauser USA?

5 MS. CHENG:

6 In 2018, they were required to create 28
7 new jobs with \$1,650,000 in payroll. In 2019,
8 they were required to create 28 new jobs with
9 \$1,683,000 in payroll for the 2019 reporting
10 period, and 28 new jobs with \$1,716,000 in
11 payroll for the 2020 reporting period.

12 The actual jobs created was 17 jobs with
13 \$1,269,399 for 2018; 23 jobs with \$1,197,431
14 in 2019; and 22 jobs with \$1,269,928 for the
15 2020 reporting period. We did receive
16 recommendations from the locals. The Parish
17 Council submitted a resolution requesting that
18 there is a penalty of a one-time fine for
19 Mauser USA and no penalty for Talon. And the
20 Council also recommends a future penalty equal
21 to the percentage of payroll shortfall for any
22 one-year noncompliance for the remaining
23 contract years. The Ascension School Board
24 and Sheriff requested that there be no penalty
25 for either company.

1 CHAIRMAN JONES:

2 All right. I'll get to y'all in just one
3 moment. I'm going to kind of set the table
4 for the Board. Again, we have situations
5 where this is a Post-Executive Order,
6 basically noncompliance with the contract.
7 Significantly, and as you know, once the
8 Executive Order was passed and the 2018 Rules
9 were passed, we required local government
10 input into the -- into these contracts into
11 the efficacy of the Abatement Program for the
12 applicant. And so as a result of that, when
13 we have noncompliance issues, we also ask the
14 local government for their opinion as to how
15 we should handle the noncompliance. The local
16 government's input is not controlling, but it
17 is simply a recommendation from them.

18 So, significantly, for both Mauser and
19 Talon Industrial, the Police Jury has
20 apparently worked out a default payment. In
21 other words, they've worked out an outside
22 arrangement that is not part of our purview
23 that satisfies them that the penalty is taken
24 care of. Essentially, they settled the
25 penalty issue.

1 The School Board and the Sheriff have
2 both on all of these contracts basically said
3 take no action. In other words, do not
4 penalize these companies for the
5 noncompliance. Again, that is for your
6 consideration. It's not controlled, and we
7 don't have to follow those recommendations,
8 but I wanted to make sure we were all under
9 the understanding where we are on these.

10 So with that, I do want to find out what
11 the basis for the noncompliance was because I
12 do think that is important for the Board to
13 understand. So with that, would you state
14 your name and your position with the company,
15 please?

16 MR. FISH:

17 Yeah, William Fish, Finance Manager for
18 Mauser, acting.

19 MR. HUNTER:

20 Darrell Hunter, Plant Manager for Mauser.

21 CHAIRMAN JONES:

22 All right. Thank you very much. Just
23 tell us what happened with the issues here.

24 MR. FISH:

25 Well, the facility was built in 2017 and

1 it started full operation in 2018. The --
2 throughout the 2018, the years 2018 through
3 2020, we were plagued by chronic power outages
4 from the -- from Entergy, UL utility,
5 approximately about 10 to 15 outages per year.

6 This facility is a blow molding operation,
7 and blow molders are heavily dependent on
8 electricity to provide the heat in order to
9 produce the product. And an outage, even a
10 short outage of electricity could result in a
11 much longer outage on the blow molder itself.

12 Darrell, if you...

13 MR. HUNTER:

14 Yes. So pretty much what happens is
15 every hour the machine is down, it takes a set
16 amount of time for it to heat back up in order
17 for the plastic to liquefy pretty much. So if
18 we're down an hour, it takes about three to
19 four hours per every hour that we're down.

20 MR. FISH:

21 So an extended outage of four hours or
22 potentially more would, in many cases, result
23 in having to send the employees home because
24 there was no work for them to do. So that was
25 a factor that impacted the amount of wages we

1 were able to pay throughout those years. We
2 also ran into an issue with the original blow
3 molder that was installed in that facility had
4 a major failure in August of 2019 leading to
5 several weeks of downtime, actually roughly
6 about a month of downtime. So that, again,
7 impacted the amount of wages we were able to
8 pay for that site.

9 The company made a decision to replace
10 that blow molder with a new \$3.6 million blow
11 molder that we got from our partners in
12 Germany. That was installed in October,
13 November of 2020. And during that transition,
14 again, we had -- we had significant downtime
15 that also impacted the amount of wages we were
16 able to pay out. We did incur COVID absences
17 in 2020 as well, which are -- which was also a
18 factor. So we were -- several factors, some
19 of which were out of our control, some of
20 which were within our control that impacted
21 the output of the facility and, therefore, the
22 amount of wages we were able to pay and
23 contributed to the shortfalls that we incurred
24 in those years.

25 But, you know, I just wanted to state

1 that since then, we have gotten past those
2 issues and this facility has actually become a
3 quite successful contributor to Mauser's
4 profitability. We've actually grown our
5 workforce. During 2022, we actually averaged
6 headcount of about 35 heads at the facility,
7 which is actually well above the target of 28.
8 We've grown in terms of the actual wages paid,
9 we actually exceeded \$2 million in wages in
10 2022 for the first time versus the
11 \$1.4 million or so that we had in 2018. So
12 that's about an annual growth of about
13 12 percent in adjusted wages, which is over
14 and above our inflation. So, I mean, so that
15 growth is an indication that we are adding
16 heads, we are running the facility close to
17 full capacity in 2022.

18 It was a record year for the facility in
19 2022. We actually sold 147,000 units compared
20 to an output of 114,000 units in 2018, so
21 that's an annual growth rate of about 7
22 percent over that four-year period. I just
23 also wanted to emphasize, Mauser is very
24 committed to this facility. That blow molder
25 investment that I told you in 2020, that's

1 just part of an overall investment of about
2 \$10 million that was put into this facility.
3 So it's, you know, so it's -- we very much
4 believe that this location in the State of
5 Louisiana is the right location for this
6 facility. We have got a pretty good strong
7 customer base in this region that we're able
8 to service and, you know, we're putting, you
9 know, putting money in this facility. We're
10 bringing people onboard to work here, and we
11 feel that the startup struggles that we had
12 for the first few years are beyond us in that
13 we are now confident that we will beat the
14 targets that have been set up for this ITEP
15 program going forward.

16 CHAIRMAN JONES:

17 Question, have the issues with your
18 electrical provider have been resolved?

19 MR. HUNTER:

20 They have been improved but not
21 completely resolved. But Entergy of Ascension
22 is definitely working on understanding our
23 struggles and is still putting things in place
24 to reduce the power outages.

25 CHAIRMAN JONES:

1 All right. Great. Any other questions
2 or comments from the Board?

3 MR. MOLLER:

4 I just have a question about the deferred
5 or the default payment and whether our action
6 today would affect that? Would that void
7 those payments --

8 CHAIRMAN JONES:

9 No.

10 MR. MOLLER:

11 -- or is that something that -- that's a
12 done deal?

13 CHAIRMAN JONES:

14 That's independent of us.

15 MR. HOLLEY:

16 I have a question, Mr. Chairman.

17 CHAIRMAN JONES:

18 Yes, sir, Mr. Holley?

19 MR. HOLLEY:

20 For the record, Travis Holley. Refresh
21 my memory, please. There's two years of late
22 filings. In the past, have we imposed a
23 one-year penalty, even though it went beyond
24 one year, and in this case, two years?

25 CHAIRMAN JONES:

1 If there's --

2 MS. CHENG:

3 We're not on those two contracts yet.

4 These were filed timely.

5 CHAIRMAN JONES:

6 I'm sorry?

7 MS. CHENG:

8 We're not on those two late filings yet.

9 CHAIRMAN JONES:

10 We're not to that one yet.

11 MR. HOLLEY:

12 Okay.

13 CHAIRMAN JONES:

14 So fair question, but we're not there
15 yet. Don't let me forget that you've asked
16 that and be sure to ask that again.

17 All right. Any other questions or
18 comments on Mauser?

19 REPRESENTATIVE ST. BLANC:

20 Mr. Chairman?

21 CHAIRMAN JONES:

22 Yes, sir?

23 REPRESENTATIVE ST. BLANC:

24 You use another corporation for your
25 energy and stuff, and you've said that several

1 times. And I'm sitting here saying, you have
2 to come document the times and what you lost,
3 and you entitled Entergy into this. And I'm
4 listening to you. Just because you saying
5 that it went out, but how do I know how many
6 times it went and what it cost you? I'm not
7 really trying -- it's not preparing us. It's
8 not being prepared right, because I can get
9 any time to go up here and say things without
10 documenting. If you lost X amount of money, I
11 want to know. If it cost you when that
12 electricity went out because you don't have
13 the other industry, Entergy in here, since you
14 used the word Entergy, how do they, you know
15 -- what are their -- you know, you're saying
16 that it went out; how many times?

17 MR. FISH:

18 We --

19 REPRESENTATIVE ST. BLANC:

20 What's the number of times it went out?

21 MR. FISH:

22 We're estimating 10 to 15 outages per
23 year.

24 REPRESENTATIVE ST. BLANC:

25 Ten to fifteen outages, okay. You said

1 several outages. Okay, 10 to 15, okay. What
2 did it cost you? What then, because you're
3 not prepared. And it just -- you know, be
4 prepared. That's all I ask, you know, because
5 here we voting on something that on y'all just
6 saying you had the outages. But if you'd have
7 come here saying these are the outages, this
8 is the time, this is the amount of money that
9 we lost.

10 MR. FISH:

11 We can work on obtaining that
12 documentation.

13 REPRESENTATIVE ST. BLANC:

14 Yeah, I'm not going to -- we gonna vote
15 on it today, but I don't -- we have another
16 company, Entergy that's, you know, it's
17 y'all's say so, but we've got to give them,
18 you know. If it's costing you money, man,
19 look, we here to do it, but please document
20 this, you know. I know it's a process that we
21 allow. And if a company can come up here and
22 say we had 10 or 12 outages and you don't have
23 the facts and figures about those outages and
24 how much money it lost or what it cost you,
25 without the other company of Entergy not here

1 to say, well, is that documented; how many
2 outages, you know.

3 So just something to think about and,
4 because we have a job here as Board Members.
5 And it's when we walk out of here and Entergy
6 calls you, you know, I'm a State
7 Representative and I'll get a call and say,
8 you know, this was it. But if you'd have gave
9 me the facts and figures, real numbers, it
10 would make it a lot easier. So just the next
11 time, document it, especially when it comes to
12 utilities and stuff has to be documented.
13 Thank you, Mr. Chairman.

14 CHAIRMAN JONES:

15 Thank you, Mr. St. Blanc.

16 MR. FISH:

17 Thank you.

18 CHAIRMAN JONES:

19 Any other questions or comments from the
20 Board?

21 Do we have a motion? Again, we have the
22 Police Jury has resolved any default issues
23 with the company. The School Board and the
24 Sheriff have recommended, take no action; in
25 other words, do not penalize them for the

1 compliance issues. What is the pleasure of
2 the Board?

3 MR. HOLLEY:

4 I move that the penalty not be imposed.

5 CHAIRMAN JONES:

6 I'm sorry?

7 MR. HOLLEY:

8 I move that the penalty not be imposed.

9 CHAIRMAN JONES:

10 Motion from Mr. Holley. We have a second
11 from Ms. Freiberg no penalty. Approve the
12 application -- or excuse, move ahead without
13 penalty for these noncompliance issues. Any
14 questions or comments from the Board on that
15 motion?

16 Any comments from the public on the
17 motion?

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

19 ALL:

20 Aye.

21 CHAIRMAN JONES:

22 Any opposition?

23 Hearing none, the motion carries. Thank
24 you, gentlemen. Good luck to you. We
25 appreciate what you're doing in the State,

1 continue your good work. It sounds like
2 you're on the right trajectory now. Thank you
3 very much.

4 MR. FISH:

5 Thank you.

6 CHAIRMAN JONES:

7 Next?

8 MR. USIE:

9 Next, we have one contract, 20180244 for
10 Sugarfield Spirits, LLC and another contract
11 20180245 for Sugarfield Properties, LLC, both
12 in Ascension Parish. They were noncompliant
13 for the 2021 reporting period. Sugarfield
14 Properties is the owner of the building only
15 and is an affiliate of Sugarfield Spirits.
16 The contracts cover one project at the same
17 site and share an Exhibit A agreement
18 outlining the required annual jobs and payroll
19 to be created and maintained by Sugarfield
20 Spirits.

21 The Exhibit A for the contract requires
22 Sugarfield Spirits to create and maintain four
23 new jobs with \$90,000 in payroll. The actual
24 jobs created was four with \$179,076 in payroll
25 and the filing is noncompliant due to the late

1 filing only. The compliance was due
2 April 30th, 2022 but not received until
3 June 28th, 2022. The Parish, the School
4 Board, and the City each submitted resolutions
5 recommending the Board of Commerce and
6 Industry not penalize either contract, and the
7 Sheriff submitted a letter recommending no
8 penalizing action on these two contracts.

9 CHAIRMAN JONES:

10 We have someone here from Sugarfield
11 Spirits, Sugarfield Properties? State your
12 name, your position with the company, please.

13 MR. SOLTAU:

14 Thomas Soltau.

15 CHAIRMAN JONES:

16 Pull the mic just a little bit closer to
17 you, sir.

18 MR. SOLTAU:

19 That better?

20 CHAIRMAN JONES:

21 Thank you. Yeah.

22 MR. SOLTAU:

23 My name is Thomas Soltau, I'm the owner,
24 and I don't know, janitor for Sugarfield.

25 CHAIRMAN JONES:

1 I understand. So, basically, we have a
2 late filing. What happened on the late
3 filing?

4 MR. SOLTAU:

5 So first of all, I apologize for the late
6 filing. I'm the -- I do almost everything for
7 the business. I'm also an intensive care
8 doctor, and I got overwhelmed and just missed
9 the filing. We've rectified that taking steps
10 to make that not happen in the future. I've
11 hired a consulting group, Advantis Consulting
12 to help me with filings. I had 45 chainsaws
13 in the air juggling them, and I dropped them,
14 and I apologize.

15 CHAIRMAN JONES:

16 Apologizes aren't necessary. We have a
17 compliance issue we have to deal with all the
18 time, and we understand, especially with small
19 companies that deal with this. Obviously, you
20 have a good reputation within the community.
21 The School Board, the Police Jury, the Sheriff
22 have all indicated that they're supportive of
23 your company.

24 So with that, again, we have a late
25 filing. Mr. Holley, your question again?

1 MR. HOLLEY:

2 Well, the question was -- the question
3 was whether or not we would impose a one-year
4 penalty if it was late in one year; or if it
5 went beyond one year, would it be a two-year
6 penalty, which I don't think applies here
7 because it's only a one-year penalty. But I
8 do note that, and I stand corrected if I'm
9 wrong, that the initial ITEP contract called
10 for certain employees and wages. And as I
11 understand it, you have exceeded that; is that
12 correct?

13 MR. SOLTAU:

14 Yes, sir. Yeah. And this year, I think
15 we're -- we should -- I don't have my final
16 numbers yet, but it's going to be well
17 exceeded. We'll have five or six employees,
18 plus several part-time bartenders as well as
19 probably about \$250,000 in salary for this
20 year. We're a growing business. I mean we
21 opened right before COVID, like January of
22 '20.

23 CHAIRMAN JONES:

24 Great timing.

25 MR. SOLTAU:

1 Yeah, great timing. And, you know, it's
2 been an uphill battle at times, but the
3 community has really gotten behind us. And,
4 you know, I think we're making progress. We
5 hope to be a really successful business for
6 Louisiana soon.

7 CHAIRMAN JONES:

8 Thank you. Do we have -- does that
9 answer your question, Mr. Holley?

10 MR. HOLLEY:

11 Yes, sir. And with that, I would move
12 this Board not impose a penalty for the short,
13 late filing.

14 CHAIRMAN JONES:

15 We have a motion. We have a second from
16 Mr. Moss. A motion from Mr. Holley; second
17 from Mr. Moss.

18 Any other questions or comments from the
19 Board?

20 Hearing none, any comments from the
21 public? Oh, I'm sorry, Mr. Moller.

22 MR. MOLLER:

23 I just have a question. I mean I'm
24 extremely sympathetic to your situation, and I
25 don't know how I'll vote, but we have a

1 precedent that we've set, and I just wondered
2 if this affects that precedent and puts us in
3 any jeopardy if we should do something
4 differently.

5 MS. CHENG:

6 I don't think y'all have been penalizing
7 for late filings on noncompliance. That's the
8 precedent for late renewals.

9 MR. MOLLER:

10 But for previous -- at previous board
11 meetings, y'all have not.

12 MR. MOLLER:

13 Okay.

14 CHAIRMAN JONES:

15 Since we're doing all this on the record,
16 let me make sure we understand each other.
17 Compliance issues -- renewal -- renewal is a
18 very objective deal. Compliance is something
19 else. Whether someone is in compliance, that
20 is an issue that, yes, there is a black and
21 white rule and did you comply with it or not,
22 but the reason we go through this process in
23 compliance issues is there can be mitigating
24 factors that impact compliance. One thing
25 we've heard over and over -- or two things

1 we've heard over and over is, number one,
2 COVID had an impact on people's operations;
3 number two, workforce availability has had an
4 impact on people's ability to put people on
5 the payroll.

6 So compliance is, at least in my way of
7 thinking, is much different from did you file
8 your renewal in a timely manner or not. So I
9 think that we have to understand compliance is
10 truly a case by case analysis. So it's not --
11 it always makes me nervous, people use
12 precedent as the word, but this is really not
13 a precedential situation.

14 MR. MOLLER:

15 Late filings versus late renewals.

16 CHAIRMAN JONES:

17 Right. Thank you. Appreciate the
18 question, Mr. Moller.

19 Any other questions or comments from the
20 Board?

21 Any comments from the public?

22 Hearing none, all in favor, say aye.

23 ALL:

24 Aye.

25 CHAIRMAN JONES:

1 Any opposition?

2 There being none, please continue. Thank
3 you very much. Appreciate your work.

4 And do we have anybody here from
5 Ascension Parish? Please send a message back
6 to Ascension -- oh, we do. Thank you for
7 filing and for getting the message to your
8 governmental agencies to let us know what they
9 think. That is immensely helpful. So I have
10 parishes of the entities that just say, I
11 defer to the Board kind of wrangles me a
12 little bit, so thank you.

13 All right. Next?

14 MR. USIE:

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

1 The Parish submitted a recommendation
2 stating, upon consideration of the foregoing
3 and public discussion held this day, that the
4 West Baton Rouge Parish Council defers to the
5 Louisiana Board of Commerce and Industry to
6 request no charges or penalties implied to the
7 circumstances and amend their original ITEP
8 application based on West Baton Rouge Parish
9 Resolution 3 of 2021. That Resolution is in
10 reference to amending the Exhibit A agreement,
11 which was previously approved by the Board.
12 However, the amendment was prospective
13 beginning with 2022, so it doesn't apply to
14 this filing. The School Board and Sheriff did
15 not respond with their recommendations.

16 CHAIRMAN JONES:

17 Do we have someone here from Graham
18 Packaging? Anyone here from Graham Packaging?
19 Okay. What's the pleasure of the Board?

20 We have the Police Jury and the Parish
21 basically saying take no further action. The
22 Parish and the School Board basically saying
23 nothing, which in most situations leads me to
24 believe they don't care. Therefore, that's
25 a -- that basically amounts to take no further

1 action. However, Graham has not appeared.

2 I'm going to ask -- I'm going to ask the
3 Board to defer the matter and give Graham
4 another opportunity to appear because I think
5 we still need to understand the circumstances
6 that that took place here because, obviously,
7 they've not created the number of jobs, but
8 they've blown the top out of the payroll. I
9 mean I -- that's troublesome. I want -- I
10 mean I think we need to hear what's going on.

11 MR. FABRA:

12 Motion.

13 CHAIRMAN JONES:

14 We have a motion to defer Graham
15 Packaging to the next meeting. Do I have a
16 second on that? Mr. Moss.

17 Any comments or questions from the Board?

18 There being none, any comments from the
19 public?

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

21 ALL:

22 Aye.

23 CHAIRMAN JONES:

24 Any opposed?

25 Hearing none, the motion carries.

1 Ms. Cheng, would you all contact them and
2 just let them know?

3 MS. CHENG:

4 Yes, sir.

5 CHAIRMAN JONES:

6 Thank you very much.

7 MS. CHENG:

8 We have one contract, 20190120 for MK
9 Environmental, Inc. in Caldwell Parish. They
10 were noncompliant for the 2020 and 2021
11 reporting periods. The Exhibit A requires
12 that the company retain 17 existing jobs and
13 \$987,000 in payroll. In 2020, the actual jobs
14 that were retained was 14 jobs with \$1,013,980
15 in payroll. And in 2021, they retained 15
16 jobs with \$1,121,985 in payroll. The Police
17 Jury responded with resolutions recommending
18 that no penalty be taken against MK
19 Environmental for the 2020 year, and no
20 penalty be taken against MK Environmental for
21 the 2021 project year.

22 A letter was also received from the
23 Police Jury President Mark Black stating
24 Caldwell Parish Police Jury is in support of
25 continuing the extension for MK Environmental.

1 The School Board and Sheriff did not respond.

2 CHAIRMAN JONES:

3 Do we have someone here from MK
4 Environmental? Very good. Would you state
5 your name and position with the company,
6 please?

7 MR. GARON:

8 My name is Mark Garon. I'm the Manager
9 for the manufacturing facility in Caldwell
10 Parish.

11 CHAIRMAN JONES:

12 Great. First of all, tell us what you're
13 manufacturing.

14 MR. GARON:

15 We're a manufacturer of specialized
16 environmental remediation equipment and some
17 brown and salt water treatment equipment, so
18 things like LDEQ use in underground storage
19 facilities and things of that nature. We
20 manufacture equipment that goes globally, and
21 we build it in Caldwell Parish.

22 CHAIRMAN JONES:

23 Okay. Thank you. All right. We have
24 here a situation where it looks like in 2021,
25 you met salary expectations but fell short on

1 the jobs. Tell us what's going on there.

2 MR. GARON:

3 Correct. So we fell short on jobs for
4 two years consecutively, which I think she
5 acknowledged and we recognize that. You've
6 already stated the three things that we're
7 dealing with, right. So we're dealing with
8 the pandemic, we're dealing with workforce,
9 people that we cannot find replacements to
10 come to work, and I forgot the third one you
11 just mentioned a second ago, and I wanted to
12 retain it, and I've already forgot it. We had
13 people leave our company and it's not by our
14 wanting. We're struggling to find employees.
15 We cannot get enough people to come to work.

16 And when you look at the reporting
17 period, I mean it's correct, but it's not a
18 true reflection of the entire year. It just
19 happens to be that that's correct. But at the
20 end of the year when we reported it, we were
21 below it, but the jobs were, you know, we
22 replaced these employees in January of the
23 following year. And so if you look at a
24 percentage of the time that we were below the
25 number, it's not a hundred percent, but it's

1 not 50 percent either. I mean, like, we had
2 the number for the majority of the time of the
3 year.

4 CHAIRMAN JONES:

5 Which is the reason for the salary
6 number.

7 MR. GARON:

8 Correct, which we were able to exceed
9 regardless of that, right. And I believe, and
10 I don't submit the report personally for our
11 company, but it was forwarded to me what we're
12 going to submit for 2022, and we were -- you
13 know, we exceed the number we were supposed to
14 exceed and exceeded the payroll by
15 400-something thousand dollars, which is
16 \$20,000 per employee more. So for \$400,000
17 when you have 400 employees may be not
18 significant, but \$400,000 when you have 17
19 employees is quite significant. It's \$20,000
20 more per employee than what we were asked to
21 maintain.

22 CHAIRMAN JONES:

23 I'm curious more than anything. Have you
24 found in Caldwell Parish that by increasing
25 the salaries has made your job attraction any

1 better?

2 MR. GARON:

3 No. No. And it --

4 CHAIRMAN JONES:

5 That's a new phenomenon we're seeing.

6 MR. GARON:

7 I can't -- and it is the most -- we've
8 been in Caldwell Parish since 2005. And
9 largely speaking, we're there because that's
10 where I was living at the time when we opened
11 the facility. And I thought when we opened
12 it, this was going to be great because there's
13 no industry in Caldwell Parish; that we're
14 going to -- we're going to kill it. Like,
15 everybody is going to want to work for us.
16 And it's unbelievable that we go through
17 cycles of competing with offshore. We go
18 through cycles competing with, you know,
19 pipeline workers, and gas wells and people
20 that would rather go across the country and
21 make triple the rate and work half the year
22 and then come back at home. And it makes
23 it -- I -- it's not what we would have ever
24 expected when we opened in Caldwell Parish.
25 It's not what we would have ever expected and

1 it's been unbelievably hard.

2 And there's a very small number of
3 companies operating in our Parish. It's been
4 unbelievably hard to maintain quality
5 employees, replace employees at all, much less
6 replace employees of the caliber that we would
7 hope to get and to be able to, you know --
8 it's been a struggle for us to grow our
9 business, quite frankly.

10 CHAIRMAN JONES:

11 And so in 2022, you mentioned numbers,
12 what do you attribute that to?

13 MR. GARON:

14 We've had to double down, and it's
15 interesting, and I don't know if I -- because
16 you asked, I want to tell you. We had to go
17 hire engineers and college graduate people to
18 do shop level positions because they can't
19 find any engineering jobs, but they're willing
20 to come build equipment for us to get their
21 foot in the door and hope that they could have
22 an engineering job down the road. So because
23 we can't find skilled craftsmen people with
24 the background that we need, so we've made the
25 decision to we're going to hire college

1 graduates and train them to be technicians.

2 CHAIRMAN JONES:

3 So you're hiring teachable people.

4 MR. GARON:

5 That's correct. That's correct and where
6 we need three or four or five college level
7 positions to do what we're doing, we're
8 training closer to half at this point of our
9 staff and we're able to maintain them, which
10 is why you see our payroll have to go up
11 because it's the only choice we have to have
12 people that come to work to meet our
13 customers' deadlines.

14 CHAIRMAN JONES:

15 The Board is probably wondering, Jones,
16 why are you asking these questions? Well, the
17 reason is because we're starting to hear this
18 narrative from companies about the inability
19 to fill these slots, even paying them more,
20 and I'm frankly very curious to find out how
21 companies are addressing it. So I apologize
22 for getting into your business.

23 MR. GARON:

24 No, I appreciate you asking because, you
25 know, I've heard bigger -- I've listened to

1 all the comments, and every single person has
2 resonated with me, except for power outage,
3 but it's very difficult. And we have applied
4 for every State of Louisiana initiative that
5 we can find to help our company, whether it be
6 and Enterprise Zone, and I can't remember the
7 one, was it Rural Jobs?

8 CHAIRMAN JONES:

9 Quality Jobs?

10 MR. GARON:

11 Thank you, Quality Jobs. We were
12 literally on the wrong side of the street from
13 some map someone drew. And if you can find a
14 more -- if you can find a better example than
15 what MK Environmental is doing in a rural
16 community from an industrial job, I'd like to
17 see it. But because we're on the wrong side
18 of the road, we don't get -- and no one cares,
19 we don't get the qualification. So it's --
20 and when I say the wrong side of the road, I
21 mean the wrong side of the road, okay. We
22 were leasing property from the Caldwell Parish
23 Industrial Board, but we're in the wrong
24 location. It makes no sense.

25 CHAIRMAN JONES:

1 They didn't put their own industrial park
2 inside --

3 MR. GARON:

4 The same industrial park that you cannot
5 get natural gas or internet. But because we
6 chose to support -- I know.

7 CHAIRMAN JONES:

8 I --

9 MR. GARON:

10 It's comical. I know. It's approaching
11 20 years of stress. And I agree, it is
12 comical, but it's like you can see the stress
13 in my voice associated with it because it's
14 difficult. It's unbelievably difficult. It's
15 crazy that we can't get internet. And if a
16 cloud goes by, we can't hold a meeting with a
17 client because, hey, sorry, we have to wait
18 for the weather to get better.

19 CHAIRMAN JONES:

20 Well, hopefully, that's going to be
21 better.

22 MR. GARON:

23 Correct. Correct.

24 CHAIRMAN JONES:

25 Internet issues --

1 MR. GARON:

2 We're very appreciative that you all have
3 allowed us to participate in some of the
4 things the State is trying to do to
5 incentivize us to stay here, so we appreciate
6 that.

7 CHAIRMAN JONES:

8 Thank you for that. Again, we have a
9 recommendation from the Parish to take no
10 further action. No response from the School
11 Board or the Sheriff. What is the pleasure of
12 the Board?

13 MR. NASSAR:

14 Make a motion to take no action.

15 CHAIRMAN JONES:

16 Take no action. We have a motion. Do I
17 have a second? A second from Ms. Freiberg.

18 Any questions or comments from the Board?

19 REPRESENTATIVE ST. BLANC:

20 I'd like to make a comment.

21 CHAIRMAN JONES:

22 Yes, Mr. St. Blanc?

23 REPRESENTATIVE ST. BLANC:

24 I'd like to see you sometime, and I've
25 got solutions for you. And we'll set you up,

1 and I hear this all the time and we solve a
2 lot of solutions, and we have -- Louisiana has
3 a people problem.

4 MR. GARON:

5 Uh-huh.

6 REPRESENTATIVE ST. BLANC:

7 Okay. And we're solving a lot of them
8 and come see me or I'll come up and see you.
9 I'll do what you can to keep you here to do
10 what we've got to do, but you have got to be
11 connected with the people. You have got to be
12 connected with getting workforce for you. I
13 have some solutions, and we'll be there, and
14 we can sit down and talk it over.

15 MR. GARON:

16 Yes, sir, I appreciate that.

17 REPRESENTATIVE ST. BLANC:

18 We're here for you. That's what we're
19 here for and just talk to me.

20 MR. GARON:

21 Yes, sir.

22 REPRESENTATIVE ST. BLANC:

23 Okay.

24 CHAIRMAN JONES:

25 Thank you, Mr. St. Blanc.

1 MR. GARON:

2 Appreciate it.

3 CHAIRMAN JONES:

4 All right. Any other questions or
5 comments?

6 Any comments from the public?

7 Hearing none, all in favor, say aye.

8 ALL:

9 Aye.

10 CHAIRMAN JONES:

11 Any opposition?

12 There being none, the motion carries.

13 MR. GARON:

14 Thank you.

15 CHAIRMAN JONES:

16 I appreciate what you're doing up in the
17 northern part of the state.

18 MR. GARON:

19 Yes, thank you. I appreciate it.

20 MS. CHENG:

21 That concludes the Industrial Tax
22 Exemption portion.

23 CHAIRMAN JONES:

24 All right. Let's move on. Getting close
25 to the end, folks, don't give up.

1 All right. Ms. Adegbe.

2 MS. ADEGBE:

3 Good morning.

4 CHAIRMAN JONES:

5 Walk us through the Quality Jobs
6 applications.

7 MS. ADEGBE:

8 We have four new applications, 20200423,
9 Aqueos Corporation, Lafayette Parish;
10 20200327, Cabot Corporation, Evangeline
11 Parish; 20200413, International Paper Company,
12 DeSoto Parish; 20200253, Venture Global LNG,
13 Inc, Plaquemines Parish.

14 CHAIRMAN JONES:

15 And just so no one -- I know we're late
16 in the meeting, but I want people to look at
17 that number on Venture Global. We don't get
18 to see \$14 billion very often, but that's a
19 significant investment.

20 All right. Entertain a motion to approve
21 these applications from Mr. Moss; have a
22 second from Mayor Toups.

23 Any comments or questions from the Board?

24 Hearing none, any comments from the
25 public?

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

2 ALL:

3 Aye.

4 CHAIRMAN JONES:

5 Any opposition?

6 There being none, the motion carries.

7 Next?

8 MS. ADEGBE:

9 I have one Renewal, 20180087, LaSalle
10 Lumber Company, LaSalle Parish.

11 CHAIRMAN JONES:

12 All right. I have a motion to approve
13 from Mr. Moss; second from Dr. McQuain. Any
14 questions or comments from the Board?

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

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

18 ALL:

19 Aye.

20 CHAIRMAN JONES:

21 Any opposition?

22 There being none, the motion carries.

23 MS. ADEGBE:

24 I have one change of company name,
25 20131171, current company name, NGL Energy

1 Operating, LLC; new company name, NGL Shared
2 Services, LLC, East Feliciana Parish.

3 CHAIRMAN JONES:

4 I have a motion from Mr. Moss to approve;
5 a second from Mayor Toups.

6 Any questions or comments from the Board?

7 Any comments from the public?

8 Hearing none, all in favor, say aye.

9 ALL:

10 Aye.

11 CHAIRMAN JONES:

12 Any opposition?

13 There being none, the motion carries.

14 MS. ADEGBE:

15 One request to add an affiliate or LLC
16 member to a Schedule 1 of the following
17 contract, 20190206, contract name, Calcasieu
18 Pass Operations, LLC; new affiliates and/or
19 LLC members, TransCameron Pipeline, LLC and CP
20 Marine Offloading, LLC, Cameron Parish.

21 CHAIRMAN JONES:

22 We have a motion from Mr. Moss to
23 approve; second from Ms. McQuain.

24 Any questions or comments from the Board?

25 Hearing none, any comments from the

1 public?

2 Hearing none, all in favor, say aye.

3 ALL:

4 Aye.

5 CHAIRMAN JONES:

6 Any opposition?

7 There being none, the motion carries.

8 MS. ADEGBE:

9 This concludes Quality Jobs.

10 CHAIRMAN JONES:

11 Thank you, ma'am.

12 MS. ADEGBE:

13 Thanks.

14 CHAIRMAN JONES:

15 Ms. Lambert?

16 MR. FAVALORO:

17 She's changed. Frank Favaloro.

18 CHAIRMAN JONES:

19 Good morning, Mr. Favaloro, it's great to
20 see you this morning.

21 MR. FAVALORO:

22 Thank you, sir.

23 CHAIRMAN JONES:

24 I'm glad the B team is here.

25 MR. FAVALORO:

1 That's the best acknowledgment I've ever
2 gotten from him.

3 CHAIRMAN JONES:

4 Thank you for being here, Mr. Favaloro.
5 Walk us through it, please. Restoration Tax
6 Abatement, four new applications, 20180431,
7 1148 South Peters Street Development, LLC in
8 Orleans Parish; 20200227, Kimble Properties,
9 LLC in East Baton Rouge; 20210591, Ludeling
10 Properties in Ouachita Parish; 20210429, Toast
11 Gretna, LLC in Jefferson Parish. That
12 concludes new applications.

13 CHAIRMAN JONES:

14 And just as a reminder to the Board,
15 under the Restoration Tax Abatement Program,
16 these matters go to the local entities before
17 they come to the Board.

18 So any motion on these? I have a motion
19 from Mr. Moss to approve; a second from
20 Mr. Fabra.

21 Any questions or comments from the Board?

22 Seeing none, any comments from the
23 public?

24 Hearing none, all in favor, say aye.

25 ALL:

1 Aye.

2 CHAIRMAN JONES:

3 Any opposition?

4 There being none, the motion carries.

5 MR. FAVALORO:

6 There are four RTA Renewal applications,
7 20152025, 210 Laurel Street, LLC in East Baton
8 Rouge Parish; 20151065, Jefferson Street
9 Market, LLC in Lafayette Parish; 20140903,
10 Vantage Health Plan, Inc. and Affinity Health
11 Group, LLC in Ouachita Parish; and 20161399,
12 Vantage Health Plan, Inc. and Affinity Health
13 Group, LLC in Ouachita Parish. That concludes
14 the renewals.

15 CHAIRMAN JONES:

16 Motion from Mr. Moss to approve; second
17 from Mayor Toups.

18 Any comments or questions from the Board?

19 There being none, any comments from the
20 public?

21 Hearing none, all in favor, say aye.

22 ALL:

23 Aye.

24 CHAIRMAN JONES:

25 Any opposition?

1 There being none, motion carries.

2 MR. FAVALORO:

3 That concludes Restoration Tax Abatement.

4 CHAIRMAN JONES:

5 Thank you, sir.

6 MR. FAVALORO:

7 Thank you.

8 CHAIRMAN JONES:

9 Ms. Metoyer, how are you this morning?

10 MS. METOYER:

11 I'm good. How are you?

12 CHAIRMAN JONES:

13 Okay. Walk us you through Enterprise
14 Zone, please.

15 MS. METOYER:

16 Okay. We have three new applications,
17 20200051, ASH Industries, Inc, Lafayette
18 Parish; 20190514, Associated Grocers, Inc.
19 East Baton Rouge Parish; 20190421, Waskey
20 Bridges, Inc, East Baton Rouge Parish.

21 CHAIRMAN JONES:

22 We have a motion?

23 MR. NASSAR:

24 So moved.

25 CHAIRMAN JONES:

1 Motion from Mr. Nassar; second from
2 Mr. Moss.

3 Any questions or comments from the Board?

4 There being none, any comments from the
5 public?

6 Seeing none, all in favor, say aye.

7 ALL:

8 Aye.

9 CHAIRMAN JONES:

10 Any opposition?

11 There being none, the motion carries.

12 Next?

13 MS. METOYER:

14 Okay. I have terminations, 20180310,
15 Chalmette Refining, LLC, St. Bernard Parish.
16 The existing contract is November 1 of 2018
17 through 10/31/2023. The requested term date
18 is April 30, 2021. Program requirements have
19 been met. No additional jobs are anticipated.

20 20180045, Hunt Forest Products, LLC,
21 Grant Parish. The existing contract is 19
22 through 12/31 of 2023. The requested term
23 date is 6/30/2021. Program requirements have
24 been met. No additional jobs are anticipated.

25 20190173, Jackson Hardwood, LLC, East

1 Feliciana. The existing contract is 5/17 of
2 '19 to 5/16 of 2024. The requested term date
3 is November 16, 2021. The program
4 requirements have been met. No additional
5 jobs are anticipated.

6 20152061, Louisiana Children's Museum,
7 Orleans Parish. The existing contract is
8 January 1 of '18 through 12/31 of 2022. The
9 requested term date is June 30 of 2020. The
10 program requirements have been met. No
11 additional jobs are anticipated.

12 20151094, Monsanto Company and
13 Subsidiaries, St. Charles Parish. The
14 existing contract is July 16 of 2015 through
15 July 15 of 2020. The requested term date is
16 January 15 of 2018. The program requirements
17 have been met. No additional jobs are
18 anticipated.

19 20161606, RD America, LLC, East Baton
20 Rouge Parish. The existing contract is 10/15
21 of '16 through 10/14 of 2021. The requested
22 term date is December 31 of 2020. The program
23 requirements have been met. No additional
24 jobs are anticipated.

25 20180100, Randolph McCormick Realty, Inc.

1 St. Landry Parish. The existing contract is
2 April 1, 2018 through March 31 of 2023. The
3 requested term date is October 20 of 2022.

4 The program requirements have been met. No
5 additional jobs are anticipated.

6 20160703, Supreme Bright Nola II
7 Subtenant, LLC, Orleans Parish. The existing
8 contract is July 8, 2016 through July 7, 2021.
9 The requested term date is January 1, 2020.
10 The program requirements have been met. No
11 additional jobs are anticipated.

12 20170620, Syngenta Crop Protection, LLC,
13 Iberville Parish. January 1 of '19 through
14 12/31/23 is the existing contract. The
15 requested term date is June 30, 2021. The
16 program requirements have been met. No
17 additional jobs are anticipated.

18 20152049, Woman's Hospital Foundation,
19 East Baton Rouge Parish. The existing
20 contract is June 20 of '16 through June 19 of
21 2021. The requested term date is December 19
22 of 2018. The program requirements have been
23 met. No additional jobs are anticipated.

24 20160706, Cleco Power, LLC, St. Mary
25 Parish. The existing contract is October 9 of

1 2017 through October 8th of 2022. The
2 requested term date is April 8th of 2020. The
3 program requirements have been met. No
4 additional jobs are anticipated.

5 CHAIRMAN JONES:

6 Thank you, ma'am. We have a motion for
7 approval in globo.

8 Do we have a second? We have a second
9 from Mr. Moller. For the record, the Chair
10 will be recusing himself from any vote on
11 Monsanto Company & Subsidiaries, 20151094.
12 Otherwise, I'll continue to facilitate the
13 vote on this matter.

14 Any questions or comments from the Board?

15 Anybody want to take any of these
16 individually?

17 Hearing none, any comments from the
18 public?

19 Hearing none, all in favor, say aye.

20 ALL:

21 Aye.

22 CHAIRMAN JONES:

23 Any opposition?

24 There being none, the motion carries.

25 We are at the end of the agenda. Is

1 there any other business to come before the
2 Board today? The Secretary had to leave for
3 the Joint Legislative conference on the
4 budgeting meeting, so he had to go do what
5 administrators do. So he apologized for
6 having to leave the meeting early, so we will
7 have no comments from him.

8 With no other business, I'll entertain a
9 motion to adjourn.

10 MR. HOLLEY:

11 So moved.

12 CHAIRMAN JONES:

13 We have a motion from Mr. Holley; a
14 second from Mr. Moss.

15 Any questions or comments?

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

17 ALL:

18 Aye.

19 CHAIRMAN JONES:

20 We are adjourned. Thank you.

21 (WHEREUPON, THE MEETING ADJOURNED.)

22

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25

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

2 I, KELLY S. PERRIN, a Certified Court
3 Reporter, Certificate #23035, in good standing with
4 the State of Louisiana, as the officer before whom
5 this meeting was taken, do hereby certify that the
6 foregoing 109 pages;

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

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

23
24
25

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

5 Signed:



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7 KELLY S. PERRIN,CCR
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