

STATE OF LOUISIANA
 BOARD OF COMMERCE & INDUSTRY
 BEING HELD ON WEDNESDAY, OCTOBER 26, 2022
 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

5 DR. BEVERLY B. THOMPSON

6 STUART A. MOSS

7 MATTHEW BLOCK, PROXY FOR DR. SHAWN D. WILSON,

8 DESIGNEE FOR GOVERNOR

9 KENNETH HAVARD

10 REPRESENTATIVE SCOTT MCKNIGHT, PROXY FOR

11 REPRESENTATIVE 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

23 NAHEEM "GEORGE" NASSAR, JR.

24 KEVIN KLEINPETER, PROXY FOR BRANDON BURRIS,

25 DESIGNEE FOR LIEUTENANT GOVERNOR

1 MANUEL "MANNY" FAJARDO
2 MARK ABRAHAM, PROXY FOR SENATOR R.L. "BRET"
3 ALLAIN
4 DARREL J. SAIZAN, JR., (ABSENT)
5 MARSHALL J. SIMIEN, JR.
6 TRAVIS HOLLEY, (ABSENT)
7 STAFF MEMBERS PRESENT:
8 ANNE VILLA
9 ROBIN PORTER
10 DEBORAH SIMMONS
11 FRANK FAVALORO
12 KRISTIN CHENG
13 HUD USIE
14 TRAVIS ROSENBERG
15 JOYCE METOYER
16 STEPHANIE LE GRANGE
17 LETICIA JOHNSON
18 TEDRA CHEATHAM
19 MELANIE LOCKWOOD
20 SPEAKERS FROM THE PUBLIC:
21 PENNY PORCHE, CONTROLLER, A.S.A.P. INDUSTRIES
22 MANUFACTURING, INC., TERREBONNE PARISH
23 JOSHUA LUFT, CAO, NVI, LLC, TERREBONNE PARISH
24 REBECCA THERIOT, GRANT AND ECONOMIC OUTREACH
25 COORDINATOR, NVI, LLC, TERREBONNE PARISH

1 ANDREA CARTER-FULTON, MANAGING TAX COUNSEL,
2 CHENIERE
3 MICHAEL MASSEY, VICE PRESIDENT, TANGI-PAC, LLC,
4 TANGIPAHOA PARISH
5 BRANDON LESTER, ACCOUNTANT, MECHANICAL EQUIPMENT
6 COMPANY, INC., ST. TAMMANY PARISH
7 ADRIAN BRUNEAU, GOVERNMENTAL COUNSEL, JOULE ENERGY
8 ALLISON SAVELA, CPA, C&C MARINE AND REPAIR, LLC
9 CADE COLE, ATTORNEY, LA3 WEST BATON ROUGE, LLC
10 GORDON HOOK, ASSOCIATE VICE PRESIDENT, LA3 WEST
11 BATON ROUGE, LLC
12 JOSEPH BARESWILL, PLANT & FINANCE MANAGER, LAMB
13 WESTON, INC., DELHI PLANT
14 MICHAEL RODRIGUE, OWNER/OPS MANAGER, AIT MACHINE,
15 LLC
16 MALLERY MELE, OWNER/CEO, MELE PRINTING, INC., ST.
17 TAMMANY PARISH
18 PETER SMITH, PRESIDENT/CEO, DIVERSIFIED FOODS &
19 SEASONINGS, LLC, ST. TAMMANY PARISH
20 JB SHOAF, PRESIDENT, HOWELL FOUNDRY, LLC, WEST
21 FELICIANA PARISH
22 ALLEN ORGANICK, OWNER, INFERNO MANUFACTURING, CADDO
23 PARISH
24 SCOTT HEBERT, RISK MANAGER, K&B MACHINE WORKS, LLC,
25 TERREBONNE PARISH

1 RHONDA BOATNER, DIDIER CONSULTANTS, OHMSTEDE, LTD.,
2 IBERVILLE PARISH

3 REUBEN RANGEL, SENIOR MANAGER, ADVANTOUS CONSULTING
4 FOR STERLING SUGARS, LLC, ST. MARY PARISH

5 CLAY HARGETT, PRESIDENT/PARTNER, TOMAKK GLASS
6 PARTNERS, LLC, CADDO PARISH

7 JUSTYN DIXON, PRESIDENT OF NORTH LOUISIANA ECONOMIC
8 PARTNERSHIP, TOMAKK GLASS PARTNERS, LLC, CADDO
9 PARISH

10

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12 REPORTED BY:

13 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. Temperature goes down and
4 everybody gets chatty. It's just the nature
5 of human nature, I suppose. It's good to see
6 everyone here for the October 26th meeting of
7 the Board of Commerce and Industry. I'll call
8 the meeting to order and ask Ms. Simmons to
9 call the roll and make sure we have a quorum.

10 MS. SIMMONS:

11 Good morning, everyone.

12 CHAIRMAN JONES:

13 Good morning.

14 MS. SIMMONS:

15 Kevin Kleinpeter? I'm sorry. Proxy for
16 Brandon Burris?

17 MR. KLEINPETER:

18 Present.

19 MS. SIMMONS:

20 David Toups?

21 MAYOR TOUPS:

22 Present.

23 MS. SIMMONS:

24 Yvette Cola?

25 (No response.)

1 MS. SIMMONS:

2 Guy McInnis?

3 (No response.)

4 MS. SIMMONS:

5 Rickey Fabra?

6 MR. FABRA:

7 Present.

8 MS. SIMMONS:

9 Manuel Fajardo?

10 MR. FAJARDO:

11 Present.

12 MS. SIMMONS:

13 Stuart Moss?

14 MR. MOSS:

15 Here.

16 MS. SIMMONS:

17 Representative Vincent St. Blanc, proxy

18 for Representative Davis?

19 CHAIRMAN JONES:

20 He's present. He's just visiting. Am I

21 going to have to put y'all in the corner?

22 MS. SIMMONS:

23 Senator Mike Reese?

24 SENATOR REESE:

25 Here.

1 MS. SIMMONS:
2 Kenneth Havard?
3 MR. HAVARD:
4 Here.
5 MS. SIMMONS:
6 Jerald Jones?
7 CHAIRMAN JONES:
8 Present.
9 MS. SIMMONS:
10 Sandra McQuain?
11 MS. MCQUAIN:
12 Here.
13 MS. SIMMONS:
14 Senator Mark Abraham for Bret Allain?
15 SENATOR ABRAHAM:
16 Here.
17 MS. SIMMONS:
18 Representative Scott McKnight for Stuart
19 Bishop?
20 REPRESENTATIVE MCKNIGHT:
21 Here.
22 MS. SIMMONS:
23 Jan Moller.
24 MR. MOLLER:
25 Here.

1 MS. SIMMONS:

2 Secretary Don Pierson?

3 SECRETARY PIERSON:

4 Present.

5 MS. SIMMONS:

6 George Nassar?

7 MR. NASSAR:

8 Here.

9 MS. SIMMONS:

10 Darrel Saizan?

11 (No response.)

12 MS. SIMMONS:

13 Marshall Simien?

14 MR. SIMIEN:

15 Here.

16 MS. SIMMONS:

17 Ronnie Slone?

18 MR. SLONE:

19 Present.

20 MS. SIMMONS:

21 Matthew Block for Dr. Shawn Wilson?

22 MR. BLOCK:

23 Present.

24 MS. SIMMONS:

25 Dr. Woodrow Wilson?

1 (No response.)

2 MS. SIMMONS:

3 Travis Holley?

4 (No response.)

5 MS. SIMMONS:

6 Dr. Beverly Thompson?

7 DR. THOMPSON:

8 Here.

9 MS. SIMMONS:

10 We have a quorum.

11 CHAIRMAN JONES:

12 And a note that Mr. McInnis is arriving,
13 so mark him as present as well, please.

14 MS. SIMMONS:

15 All right.

16 CHAIRMAN JONES:

17 All right, Everyone. You should have
18 received a copy of the minutes from the
19 August 24 meeting. I would entertain a motion
20 to approve or a motion to edit.

21 I have a motion from Mr. Simien; second
22 from Mr. Moss. Any questions or discussion
23 from the Board?

24 Hearing none, any comments from the
25 public?

1 Hearing none, all in favor, say aye.

2 ALL:

3 Aye.

4 CHAIRMAN JONES:

5 Any opposed?

6 There is no opposition. The motion
7 carries. The minutes are approved.

8 Ms. Adegbe, you're here with us for the
9 Quality Jobs Program. Let's walk through it,
10 please.

11 MS. ADEGBE:

12 Good morning.

13 CHAIRMAN JONES:

14 Good morning.

15 MS. ADEGBE:

16 There is one new application, 20200326
17 Landlocked Industries, LLC, Calcasieu Parish.

18 CHAIRMAN JONES:

19 I'll entertain a motion for this one
20 application. There is a motion from Mr. Moss;
21 second from Mr. Simien. Any questions or
22 comments from the Board?

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

25 Hearing none, all in favor, say aye.

1 ALL:

2 Aye.

3 CHAIRMAN JONES:

4 Any opposition?

5 There being none, the motion carries.

6 MS. ADEGBE:

7 There are two Late Renewals, 20161677
8 A.S.A.P Industries Manufacturing, Inc,
9 Terrebonne Parish, contract effective date
10 9/14/2016, initial contract expiration date
11 9/13/2021, late renewal request date
12 7/27/2022.

13 Application number 20160358 NVI, LLC
14 Terrebonne Parish, contract effective date
15 1/1/2017, initial contract expiration date
16 12/31/2021, late renewal request date
17 9/6/2022.

18 CHAIRMAN JONES:

19 Before we get into the discussion of
20 these specifics, I know we have a number of
21 members here today who are sitting in proxy
22 for legislators, and I know that or for the
23 executive branch and I know that you may not
24 be as familiar with how we work through these.
25 And so just a little word of explanation and a

1 reminder for the rest of the Board, when we
2 have late renewals that, you know, these
3 programs people apply for and we get them and
4 then they're up for renewal for an additional
5 term, but they have -- we have guidelines and
6 timelines in which people have to follow for
7 those renewals. And when they're late, that's
8 problematic for the staff, it's problematic
9 for the program, it's problematic for the
10 system.

11 And so the late renewals have to be
12 approved. Under the ITEP Program, Industrial
13 Tax Exemption Program, which we'll get to in a
14 little bit, there are rules that basically
15 dictate what happens with those late renewals.
16 But with the Quality Jobs Program, which we
17 have right now, there are no set rules.

18 As a matter of practice, what this Board
19 has done there is a number of things we can
20 do. We can ignore the lateness of the
21 renewal, we can terminate the contract and not
22 grant the renewal at all, or we can penalize.
23 And that means, generally what it has at least
24 meant in the past is to reduce the period of
25 time that the renewal can carry forward. So,

1 here, we have two late renewals, both of them
2 are less than a year late. The practice, not
3 to say, because this is not, again, not set by
4 rule for the Quality Jobs Program, the
5 practice for the Board is generally when it's
6 less than a year, but we will generally
7 penalize for one year; 20 percent for one year
8 penalty for the lateness of the renewal. But,
9 again, that's up to however the Board wants to
10 handle it. But like I said, because we have
11 new faces and some folks that haven't sat in
12 these chairs on this Board for a long time, I
13 wanted to kind of walk through that so we
14 could all understand it.

15 So, first, we have A.S.A.P Industries
16 Manufacturing, Number 20161677. Do we have a
17 motion from the Board? We can terminate, we
18 can ignore, or we can penalize.

19 Mr. Moller?

20 MR. MOLLER:

21 I would move to penalize one year.

22 CHAIRMAN JONES:

23 Okay. We have a motion to penalize one
24 year. Any comments or questions from the
25 Board? First of all, do I have a second?

1 MR. MOSS:

2 Second.

3 CHAIRMAN JONES:

4 Okay. I have a second from Mr. Moss.
5 Thank you. Now, do we have any questions or
6 comments from the Board?

7 Yes, sir?

8 SENATOR REESE:

9 Do we have anybody from the business that
10 would like to comment?

11 CHAIRMAN JONES:

12 Anyone here from A.S.A.P Manufacturing?

13 MS. PORCHE:

14 Yeah.

15 CHAIRMAN JONES:

16 Please come forward.

17 MS. PORCHE:

18 Hi.

19 CHAIRMAN JONES:

20 Thank you. Just state your name and your
21 position with the company for the record,
22 please.

23 MS. PORCHE:

24 Penny Porche. I'm Controller for A.S.A.P
25 Industries.

1 CHAIRMAN JONES:

2 Great. And tell us what happened.

3 MS. PORCHE:

4 Terrebonne Parish was affected by
5 Hurricane Ida in August, and our renewal was
6 in September, and we were just trying -- we
7 had business interruption for about five
8 weeks, and we were just trying to get A.S.A.P.
9 back and running at the time.

10 CHAIRMAN JONES:

11 Okay. All right. So it was a Hurricane
12 Ida issue --

13 MS. PORCHE:

14 Yes.

15 CHAIRMAN JONES:

16 -- that led to the lateness of the
17 renewal?

18 MS. PORCHE:

19 Correct.

20 CHAIRMAN JONES:

21 Okay. Any questions? Yes, sir?

22 SENATOR ABRAHAM:

23 Yeah, just curious. I know there was a
24 motion to approve the penalty, but have you
25 had any past history of when a region has been

1 hit by a hurricane, you make an exception for
2 that? I know I represent the Lake Charles
3 area and we got hit hard, and I understand.
4 I'm in business for myself. I do understand
5 how difficult it is to get back after a
6 hurricane. So I'm not trying to say anything
7 about the motion that was made, but do you
8 have any history of during the hurricanes
9 saying, well, this is an unfortunate
10 situation, we don't want to penalize any
11 further than they've already been penalized by
12 the hurricane? So I'm just asking that
13 question.

14 CHAIRMAN JONES:

15 A fair question. And any Board Member is
16 allowed or is welcome to respond. But, truly,
17 what we try to do is we try to find out what
18 is going on. And to say this Board is without
19 compassion would be inaccurate. I think we do
20 listen to what the circumstances are. We want
21 to understand. And when it is appropriate, we
22 try to deal with it appropriately. So and
23 that's one reason the rules are not set in
24 stone here and it gives the Board the latitude
25 that it needs based on the facts.

1 So there is a motion.

2 Mr. Block?

3 MR. BLOCK:

4 I have one question. So if it was due in
5 September, when was it actually submitted?

6 MS. PORCHE:

7 In July.

8 MR. BLOCK:

9 July of this year?

10 MS. PORCHE:

11 Yes, sir.

12 MR. BLOCK:

13 Okay.

14 CHAIRMAN JONES:

15 Any other questions or comments from the
16 Board? We have a motion to penalize for one
17 year -- excuse me. Any other comments from
18 the public, I'm sorry, before I move forward?
19 Any other comments from the public?

20 All right. Hearing none, all in favor of
21 the motion to penalize one year, say aye.

22 MR. MOLLER:

23 Aye.

24 CHAIRMAN JONES:

25 All opposed, say aye.

1 ALL:

2 Aye.

3 CHAIRMAN JONES:

4 Okay. I think that motion fails. We
5 would entertain a new motion then.

6 MR. MOLLER:

7 Yeah, I make a motion that we not
8 penalize them.

9 CHAIRMAN JONES:

10 Okay. We have a motion to forego any
11 penalties. We got a second from Mr. Fabra.
12 We've got several seconds. Any other
13 questions or comments from the Board?

14 Mr. Moller, you feel like you got set up;
15 don't you?

16 MR. MOLLER:

17 Yeah. I just want to say we usually do
18 ask the respondents to come up, and so I think
19 maybe my motion was premature.

20 CHAIRMAN JONES:

21 That was my failure. I apologize for
22 putting you in that position. All right. Any
23 other questions or comments from the Board?

24 Any comments from the public?

25 Hearing none, all in favor say, aye.

1 ALL:

2 Aye.

3 CHAIRMAN JONES:

4 Any opposition?

5 There being none, the motion carries.

6 There will be no penalty.

7 MS. PORCHE:

8 Thank you.

9 CHAIRMAN JONES:

10 Thank you. All right. Now, the next
11 20160358 NVI, LLC, do we have anyone here from
12 the company?

13 Please come forward. If you would state
14 your name and position with the company,
15 please.

16 MS. THERIOT:

17 Rebecca Theriot, Grant and Economic
18 Outreach Coordinator.

19 CHAIRMAN JONES:

20 Okay. And?

21 MR. LUFT:

22 Hi, Joshua Luft, the Chief Administrative
23 Officer.

24 CHAIRMAN JONES:

25 Okay. So someone tell us what happened

1 here.

2 MS. THERIOT:

3 Yes, so our grant was submitted late. At
4 the time we were working through the prior
5 years filing, 2020. In 2021, we were
6 interrupted throughout, you know, discussion
7 of that through the hurricane. And then
8 2020's filings were not approved until midway
9 -- after the first quarter of 2021. And so we
10 were unable to even submit 2021 until within
11 the time filing for 2021's filing, but we were
12 working through a backlog. And so we were
13 under the impression that we would file a
14 renewal once the backlogs of the prior year
15 and then the prior year to that was completed.

16 CHAIRMAN JONES:

17 Okay. I want to make sure I understand.
18 So you're -- I'm sorry. I don't want to --

19 MR. LUFT:

20 And just to clarify, the backlog was
21 working with your staff here at the State.
22 There was ongoing communication during the
23 time for the prior year's filings. We were
24 actually waiting for certification for prior
25 years at that time.

1 CHAIRMAN JONES:

2 Okay. Ms. Adgebe, do you have any
3 context for us?

4 MS. ADEGBE:

5 So these records and the annual
6 compliance documents that they submit to us on
7 an annual basis, we were working together with
8 each other to work through some of the
9 additional information that was required for
10 those prior years' additional information.

11 CHAIRMAN JONES:

12 Okay. And I guess from my understanding,
13 how did those documents relate to the renewal
14 itself? Did we -- do those issues need to be
15 resolved before the decision to move forward
16 with the renewal?

17 MS. ADEGBE:

18 So for -- the renewals still needed to be
19 filed on time. So whenever we receive the
20 annual compliances, we do work through those,
21 but it does not actually affect them actually
22 filing a renewal application.

23 CHAIRMAN JONES:

24 Let me ask the question a different way.
25 Does information that's required by the

1 renewal application, does it require
2 clarifications from the compliance documents
3 that had to be filed earlier? In other words,
4 did they have to get those right before they
5 could properly complete the application for
6 the renewal?

7 MS. ADEGBE:

8 They needed to be submitted, but they did
9 not have to be processed. So they had
10 initially, which I don't have their annual
11 compliance in front of me of when it was
12 processed, but it needs to be -- I think one
13 of the questions on there is, was it received.
14 Doesn't mean that it actually -- so once it's
15 initially received, it still has that time to
16 where we can work back and forth to correct
17 for those annual compliances.

18 CHAIRMAN JONES:

19 So you don't have any issue with the
20 timing of the compliance documents, it was
21 just a matter of getting them properly
22 completed?

23 MS. ADEGBE:

24 Correct.

25 CHAIRMAN JONES:

1 Now, I guess back to the company. What
2 I'm trying to understand, and I apologize to
3 the Board for monopolizing, but I thought this
4 might help clarify. From y'all's perspective,
5 why was working through these compliance
6 documents, why did that keep you from being
7 able to work on the renewal application?

8 MR. LUFT:

9 I think it was just a misunderstanding
10 that we were under the impression that it
11 needed to be completed before we move forward.

12 And, honestly, we thought this would kind of
13 come up in the discussions for the renewal.

14 CHAIRMAN JONES:

15 Okay. So the renewal application needed
16 to be filed before 12/31, and it was not filed
17 until nine months later. Were y'all working
18 on the compliance document for that entire
19 time?

20 MS. THERIOT:

21 So our renewal document, from what I
22 understood, was due at the end of February,
23 but 2020's, like, annual document was not even
24 finalized or approved until April.

25 CHAIRMAN JONES:

1 The compliance document, is that what
2 you're talking about?

3 MS. THERIOT:

4 The compliance document for 2020 was not
5 approved until April, so we were unable to
6 move forward with 2021 until that was
7 submitted, which 2021's had to be submitted by
8 the end of June, which it was, and then that
9 was not finalized until a little bit later as
10 well. And so we, like, you know, I stated, we
11 were under the impression that those documents
12 had to be -- just, I guess it was just a
13 misunderstanding, but those had to be
14 finalized before we could submit the renewal
15 for that.

16 CHAIRMAN JONES:

17 Okay. But the compliance documents,
18 again, for Members of the Board who may not --
19 compliance documents are basically a number of
20 documents that the program participants have
21 to supply to LED on an annual basis just
22 saying this is where we are, this is what
23 we've done, we've checked the boxes off and
24 the things that we're supposed to be doing,
25 and there's generally followup after those

1 documents are filed. I guess what I'm having
2 a little bit of difficulty understanding is
3 why those two work streams could not be
4 carried on a parallel basis, why it had to be
5 subsequent to one another?

6 MR. LUFT:

7 It was just our understanding. It was a
8 misunderstanding. There's nothing more than
9 that.

10 CHAIRMAN JONES:

11 Okay.

12 MR. LUFT:

13 They absolutely -- had we been aware that
14 we should have submitted at the same time as
15 these other documents, we would have
16 absolutely done.

17 CHAIRMAN JONES:

18 I guess the difficulty, in my world,
19 they're totally unrelated. I mean it's apples
20 and oranges, and I don't understand why there
21 couldn't be parallel work streams.

22 Ms. Adegbe, do you know the context?

23 MS. ADEGBE:

24 I also would like to, so how she just
25 noted, there is a grace period, so they do

1 have 60 days after that contract expires to
2 file their renewal. So even though the
3 contract expires on 12/31, they did have 60
4 days after that to where it would be timely.

5 CHAIRMAN JONES:

6 Okay. So it was still late, just not as
7 late?

8 MS. ADEGBE:

9 Correct.

10 CHAIRMAN JONES:

11 Okay. All right. Board, this is where
12 we are. Again, the world is your oyster. We
13 can terminate the contract, not grant the
14 renewal at all, we can ignore the late
15 renewal, or we can penalize at some level.
16 What is the pleasure of the Board?

17 Yes, Mr. Block?

18 MR. BLOCK:

19 One question, because you mentioned this
20 earlier and I'm not sure if you mentioned what
21 happened with the previous applicant, but you
22 are in Calcasieu; correct?

23 MR. LUFT:

24 Terrebonne Parish.

25 MS. THERIOT:

1 No, Terrebonne.

2 MR. BLOCK:

3 Oh, I'm sorry, you're in Terrebonne
4 Parish.

5 MS. THERIOT:

6 Terrebonne, yeah.

7 MR. BLOCK:

8 I'm sorry. I was looking at the wrong
9 company.

10 MS. THERIOT:

11 Yes.

12 MR. BLOCK:

13 So you mentioned that there was some
14 impact from --

15 MS. THERIOT:

16 We did have an interruption of -- I mean,
17 we submitted our 2020 filing on time, but
18 there was interruption within our normal work
19 process, yes, absolutely. We were working on
20 2020. Even September/October, there was
21 interruption in just the communication in
22 general.

23 MR. LUFT:

24 Over half of our employees in Terrebonne
25 Parish lost their houses. It was a

1 significant impact for our business in terms
2 of the hurricane. We also do have an office
3 we work in Calcasieu. We have an office in
4 Sulfur, Louisiana as well too. You know, we
5 had a significant impact by the hurricane.
6 There's no doubt about that.

7 CHAIRMAN JONES:

8 Okay. All right, Ladies and Gentlemen, I
9 can suggest, if that's what y'all are looking
10 for.

11 Mr. Simien?

12 MR. SIMIEN:

13 I move for no penalty.

14 CHAIRMAN JONES:

15 All right. We have a motion from
16 Mr. Simien for no penalty, approve the renewal
17 with no penalty.

18 MR. BLOCK:

19 I'll second.

20 CHAIRMAN JONES:

21 We have a second from Mr. Block. Any
22 comments or questions from the Board? Any
23 further comments or questions from the Board?

24 Hearing none, any comments from the
25 public?

1 Hearing none, all in favor, say aye.

2 ALL:

3 Aye.

4 CHAIRMAN JONES:

5 Any opposition?

6 Hearing none, the motion carries. Thank
7 you very much.

8 MR. LUFT:

9 Thank you.

10 MS. THERIOT:

11 Thank you.

12 CHAIRMAN JONES:

13 All right. I understand we have one
14 Restoration Tax Abatement Renewal.

15 MS. ADEGBE:

16 Correct.

17 CHAIRMAN JONES:

18 And Ms. Lambert is out, so you're going
19 to work with us on that?

20 MS. ADEGBE:

21 Yes, sir.

22 CHAIRMAN JONES:

23 Fantastic.

24 MS. ADEGBE:

25 20120024 Marfo, Inc., Terrebonne Parish.

1 CHAIRMAN JONES:

2 All right. There are no issues with this
3 of which we are aware. Is there a motion?

4 We have a motion from Mr. Fajardo to
5 approve; second from Mayor Toups. Any
6 questions or comments from the Board?

7 Hearing none, any comments from the
8 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, Ms. Adegbe.

16 Good morning, Ms. Metoyer.

17 MS. METOYER:

18 We want to defer ASH Industries, 20200051
19 to the December Board. It was a request to
20 defer by the company.

21 CHAIRMAN JONES:

22 All right. I would entertain a motion to
23 defer 20200051 ASH Industries. Motion from
24 Mr. Slone; second from Mayor Toups. Any
25 questions or comments from the Board?

1 Hearing none, any comments from the
2 public?

3 Hearing none, all in favor say aye.

4 ALL:

5 Aye.

6 CHAIRMAN JONES:

7 Any opposition?

8 There being none, the motion carries.

9 MS. METOYER:

10 Okay. 20151643, Brown & Root Industrial
11 Services, LLC, West Baton Rouge Parish.

12 CHAIRMAN JONES:

13 All right. Enterprise Zone Application,
14 just one, Brown & Root. We'll entertain a
15 motion. Motion from Mr. Nassar; second from
16 Mr. Fajardo. Any questions or comments from
17 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 opposition?

25 There is none, the motion carries.

1 All right. We're going to terminate some
2 contracts.

3 MS. METOYER:

4 Yes. 20141614, Associated Grocers,
5 Incorporated, East Baton Rouge, the existing
6 contract is 7/1/2017 through 6/30/2022. The
7 request to terminate is 1/1 of 2020. The
8 program requirements have been met. No
9 additional jobs are anticipated.

10 20141332, Enlink Midstream Operating, LP,
11 Ascension Parish, the existing contract is
12 2/13 of '18 to 2/12 of 2023. The requested
13 term date is 2/12 of 2021. The program
14 requirements have been met. No additional
15 jobs are anticipated.

16 20140958, Our Lady of the Lake Ascension
17 Community Hospital, Incorporated, Ascension Parish,
18 the existing contract is March 1 of '15 through
19 February 28th of 2020. The requested term date is
20 8/31 of 2017. The program requirements have been
21 met. No additional jobs are anticipated.

22 20141327, Franciscan Missionaries of Our
23 Lady University, EBR Parish, the existing contract
24 is 10/13/17 to 10/12/2022. The requested term date
25 is April 12, 2020. The program requirements have

1 been met. No additional jobs are anticipated.

2 20170646, Lamarque Ford, Jefferson
3 Parish, the existing contract is 12/27/2017 through
4 12/26/2022. The requested term date is June 26,
5 2020. The program requirements have been met. No
6 additional jobs are anticipated.

7 20170647, Lamarque Ford, Incorporated,
8 Jefferson Parish, the existing contract is 12/27 of
9 2017 through 12/26 of 2022. The requested term
10 date is 6/26 of 2020. The program requirements
11 have been met. No additional jobs are anticipated.

12 20170468, Noble Plastics, Incorporated,
13 St. Landry Parish, the existing contract is
14 October 1, 2018 through September 30, 2023. The
15 requested term date is 3/31 of '20. The program
16 requirements have been met. No additional jobs are
17 anticipated.

18 20180172, Noble Plastics, Incorporated,
19 St. Landry Parish, the existing contract is
20 5/8/2018 through 5/07 of 2023. The requested term
21 date is 11/7/2020. The program requirements have
22 been met. No additional jobs are anticipated.

23 20161875, Our Lady of the Lake Regional
24 Medical Center, EBR Parish, the existing contract
25 is 11/15 of '16 through 11/14 of 2021. The

1 requested term date is October 12 of 2019. The
2 program requirements have been met. No additional
3 jobs are anticipated.

4 20180044, the NeuroMedical Center, EBR
5 Parish, January 1 2019 through 12/31/2023 is the
6 existing contract period. June 30, 2021 is the
7 requested term date. The program requirements have
8 been met. No additional jobs are anticipated.

9 20180054, Turner Specialty Services, LLC,
10 Calcasieu Parish, the existing contract is February
11 9, 2018 through February 8, 2023. The requested
12 term date is December 31, 2020. The program
13 requirements have been met. No additional jobs are
14 anticipated.

15 And 20170401, Westlake Management
16 Services, Incorporated, Calcasieu Parish, the
17 existing contract is June 13 of 2018 through June
18 12 of 2023. The requested term date is June 12 of
19 2021. The program requirements have been met. No
20 additional jobs are anticipated.

21 CHAIRMAN JONES:

22 All right. A couple of things, for each
23 one of these, the applicant has actually asked
24 the Department to terminate the contracts.
25 But as far as a procedural note, if we can

1 handle these in globo, if that is the wish of
2 the Board, which is the practice of the Board,
3 but if anybody wants to handle any one of
4 these separately, just let us know and we'll
5 handle that in that manner.

6 So yes, sir?

7 SENATOR ABRAHAM:

8 I don't have a question on them
9 individually, but I just, because this is the
10 first time I've been here, I'm assuming that
11 these contracts, it looks like, are for five
12 years for Enterprise Zone. My question is,
13 why would the termination date be so in
14 arrears? In other words, we do this every
15 three or four years or something? I mean I'm
16 seeing termination dates of '17 and '20, that
17 sort. Evidently, you just do this every so
18 often?

19 CHAIRMAN JONES:

20 Ms. Metoyer?

21 MS. METOYER:

22 The rules don't stipulate you have to
23 term currently, so they can term back. And
24 these are all back-end contracts. And
25 contract terminations are always requested by

1 the company. We don't request them to term.
2 And it keeps them from filing additional
3 paperwork.

4 SENATOR ABRAHAM:

5 This -- so the Lady of the Lake
6 Ascension, requested termination date was
7 8/31/2017. And when were they --

8 CHAIRMAN JONES:

9 That's not the date that they asked for
10 the termination. That's the date of the
11 effective -- that's the requested effective
12 termination date; is that right, Ms. Metoyer?

13 MS. METOYER:

14 Yes.

15 CHAIRMAN JONES:

16 Okay. That's not the date that they
17 requested that we terminate.

18 MS. METOYER:

19 No, these were all requested recently.

20 CHAIRMAN JONES:

21 Right. This was the date that they asked
22 that the termination date be effective.

23 MS. METOYER:

24 And all contracts must be in effect for a
25 minimum of 30 months. All of the paperwork

1 has to be filed. So they've met all of the
2 program requirements. They don't anticipate
3 any additional jobs or any other -- there are
4 no other benefits to get.

5 SENATOR ABRAHAM:

6 So why wouldn't they have asked for the
7 requested termination date two years ago?

8 MS. METOYER:

9 The rules don't specifically say you need
10 to ask for it if it was today's date. I don't
11 need to ask for it today. I can ask for it
12 later.

13 SENATOR ABRAHAM:

14 Okay.

15 MS. METOYER:

16 And one of the stipulations, sir, it's a
17 little outside of what LED does, but that
18 date, if these are termed, LDR has an issue
19 with releasing their benefits, so that's part
20 of this. They go to LDR once all of this is
21 approved, not the termination, but all of the
22 other paperwork. So LDR won't let go of their
23 funds if these appear to be termed.

24 SENATOR ABRAHAM:

25 Okay. Thank you.

1 CHAIRMAN JONES:

2 Great question though. Thank you. Thank
3 you, Senator Abraham. Thank you, Ms. Metoyer.

4

5 Now, do we have a motion? A motion from
6 Mr. Nassar to approve the contracts in globo.
7 Do I have a second? Second from Mr. Slone.
8 Any further comments or questions from the
9 Board?

10 Hearing none, any comments from the
11 public?

12 Hearing none, all in favor, say aye.

13 ALL:

14 Aye.

15 CHAIRMAN JONES:

16 Any opposition?

17 There is none. The motion carries.

18 Thank you, ma'am.

19 MS. METOYER:

20 I have one cancellation.

21 CHAIRMAN JONES:

22 Oh, I'm sorry.

23 MS. METOYER:

24 20150848, Enlink Midstream Operating, LP,
25 Iberville Parish, the company did not meet the

1 program requirements and the company requested
2 cancellation.

3 CHAIRMAN JONES:

4 So this is unlike the others. This is
5 not they have met the requirements; they have
6 not met the requirements.

7 MS. METOYER:

8 Right.

9 CHAIRMAN JONES:

10 So, therefore, they want to cancel the
11 contract.

12 MS. METOYER:

13 And terming is not penalized in any way.
14 Had this company actually received some
15 benefits, they would be due back to the State,
16 but that didn't happen because they couldn't
17 meet the requirements.

18 CHAIRMAN JONES:

19 Got it. Motion to approve? Dr. Thompson
20 -- I'm sorry. Please forgive me. We have a
21 motion by Ms. McQuain. All these new faces
22 and names. Do I have a second? Mr. Fajardo.
23 I'm even pronouncing his name correct today.
24 Any questions or comments from the Board?

25 There being 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 is none. The motion carries.

8 MS. METOYER:

9 That concludes EZ.

10 CHAIRMAN JONES:

11 Thank you. Now, Industrial Tax Exemption
12 Applications.

13 MR. USIE:

14 We have one Pre-EO Application,
15 20110659-K, Sabine Pass Liquefaction, LLC in
16 Cameron Parish.

17 CHAIRMAN JONES:

18 All right. For those of you that have
19 been on the Board for any period of time,
20 there was a time when the original
21 applications for Pre-EO were pages long. We
22 are now reaching that point where the new
23 rules have been in place long enough where all
24 the applications are coming under the new
25 rules rather than the Pre-EO rules, so that's

1 why we only have one this time. Now, it is a
2 \$2 billion investment, but it's only one.

3 So do we have a motion on this
4 application, this Pre-EO application? We have
5 a motion from Mr. Slone; second from Mr. Moss
6 to approve the application. Any questions or
7 comments from the Board?

8 Hearing none, any comments from the
9 public?

10 Hearing none, all in favor, say aye.

11 ALL:

12 Aye.

13 CHAIRMAN JONES:

14 Any opposition?

15 There being none, the motion carries. I
16 do have one question. Forgive me. Is
17 somebody here from the Sabine Pass? I'm
18 sorry. Not that it matters, obviously, we've
19 already voted, but I still want to complete
20 the record because I want to understand this.
21 State your name and position with the company,
22 please.

23 MS. CARTER-FULTON:

24 Yes, good morning. Thank y'all for
25 having us here. I'm Andrea Carter-Fulton and

1 I'm Managing Tax Counsel for Cheniere.

2 CHAIRMAN JONES:

3 We are on how many programs, how many
4 trains are we on now with Sabine?

5 MS. CARTER-FULTON:

6 The application before you is for the
7 completion of Train 6 in Sabine Pass, and that
8 is the final train that is covered under this
9 contract. There will be one last application
10 before you for the completion of our third
11 berth. We've installed a third berth for
12 ships to come in. And we expect that
13 substantial completion imminently, likely this
14 week. So you'll get to see me again, but that
15 will close out our Pre-Executive Order
16 Applications.

17 CHAIRMAN JONES:

18 And what is the total investment for this
19 program?

20 MS. CARTER-FULTON:

21 We are at \$20 billion. I'm going to peek
22 to my Government Affairs, so we have made a
23 \$20 billion investment totaling for Sabine
24 Pass.

25 CHAIRMAN JONES:

1 Amazing. Thank you so much. I
2 appreciate it. I just wanted to -- I knew we
3 were getting towards the end and I wanted to
4 understand where we fit. Thank you so much.
5 I appreciate that information.

6 MS. CARTER-FULTON:

7 Thank y'all for your continuing support.

8 CHAIRMAN JONES:

9 Absolutely. Thank you for your
10 investment in the State.

11 MS. CARTER-FULTON:

12 Yes, sir.

13 CHAIRMAN JONES:

14 All right. Let's go -- I'm sorry? Good.
15 Thank you. 2018 Rules?

16 MR. USIE:

17 Next, we have ten applications following
18 the Post EO 2018 Rules. Three are needed to
19 be deferred.

20 CHAIRMAN JONES:

21 Okay.

22 MR. USIE:

23 First is 20220110, Georgia Pacific Port
24 Hudson, LLC, East Baton Rouge Parish;
25 20220372, Huntsman International, LLC, in

1 Ascension Parish; and 20220026, Reliable EDM,
2 LLC in Lafayette Parish.

3 CHAIRMAN JONES:

4 Okay. I would entertain a motion to
5 defer these three applications. I have a
6 motion from Mr. Moller; second from Mayor
7 Toups. Any questions or comments from the
8 Board?

9 Hearing none, any comments from the
10 public?

11 Hearing none, all in favor for deferral,
12 say aye.

13 ALL:

14 Aye.

15 CHAIRMAN JONES:

16 Any opposition?

17 There being none, the motion carries.

18 Now, walk us through the rest of them.

19 MR. USIE:

20 20220300, Blue Runner Foods, Inc.,
21 Ascension Parish; 20210366, Bogalusa West PV
22 I, LLC, Washington Parish; 20220392, Dolet
23 Hills Solar, LLC, De Soto Parish; 20220383,
24 Shell Chemical, LP, Ascension Parish;
25 20200502, Stuller Inc., Lafayette Parish;

1 20210370, Sunlight Road Solar, LLC, Washington
2 Parish; and 20190281, Tri-State Industries of
3 Louisiana, LLC in Rapides Parish.

4 CHAIRMAN JONES:

5 And then I have a request from Dr.
6 Thompson that she will be recusing herself
7 from the discussion or vote on the Shell
8 Chemical application. Otherwise, I would
9 entertain a motion to approve, or if anybody
10 wants to consider one of these separately, we
11 can do that.

12 SENATOR REESE:

13 Move to approve.

14 CHAIRMAN JONES:

15 Motion to approve from Senator Reese;
16 second from Mr. Slone. Any questions or
17 comments about any of these 2018 Rule
18 Applications?

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

20 ALL:

21 Aye.

22 CHAIRMAN JONES:

23 Any opposition?

24 There being none, the motion carries.

25 MR. USIE:

1 Next, we have 15 Pre-EO Timely Renewal
2 Applications. One company is requesting
3 deferral, 20151379, Graphic Packaging
4 International, LLC in Ouachita Parish.

5 CHAIRMAN JONES:

6 I would entertain that motion to defer
7 from Mr. Slone; second from Mayor Toups. Any
8 questions or comments from the Board?

9 Hearing none, any comments from the
10 public?

11 Hearing none, all in favor, say aye.

12 ALL:

13 Aye.

14 CHAIRMAN JONES:

15 Any opposition?

16 There being none, the motion carries.

17 Now, walk us through the rest.

18 MR. USIE:

19 20150989, BASF Corporation, Ascension
20 Parish; 20152047, BASF Corporation, Ascension
21 Parish; 20150280-B Eagle U.S. 2, LLC in
22 Calcasieu Parish; 20121341, Entergy Louisiana,
23 LLC, Ninemile Point, Jefferson Parish;
24 20151466 Flopam, Inc. in Iberville Parish;
25 20161511-A, Gulf Craft, LLC, St. Mary Parish;

1 20141117-A Koch Methanol, St. James, LLC, St.
2 James Parish; 20151161, MGB, LLC, St. Landry
3 Parish; 20150264-A, Matheson Tri-Gas, Inc.,
4 Calcasieu Parish; 20151126-A, UTLX
5 Manufacturing, LLC, Rapides Parish; 20151279,
6 Westlake Vinyls Company, LP, Ascension Parish;
7 20151279-A, Westlake Vinyls Company, LP
8 Ascension Parish; 20151590, Westlake Vinyls
9 Company, LP, Ascension Parish; and 20160666,
10 Westlake Vinyls Company, LP, Ascension Parish.

11 CHAIRMAN JONES:

12 A point of personal privilege, the Chair
13 will be recusing himself from the Koch
14 Methanol St. James application and will not
15 participate in the discussion or the vote but
16 I will continue to facilitate the vote on the
17 motion. So do I have a motion?

18 MR. NASSAR:

19 So moved.

20 CHAIRMAN JONES:

21 Motion from Mr. Nassar; second from
22 Mr. Moss. Any questions or comments from the
23 Board?

24 Any comments from the public?

25 Hearing none, all in favor, say aye.

1 ALL:

2 Aye.

3 CHAIRMAN JONES:

4 Any opposition?

5 There being none, the motion carries.

6 MR. USIE:

7 We have one Pre-EO Late Renewal.

8 20141228, Tangi-Pac, LLC in Tangipahoa Parish.

9 Initial contract expiration 12/31 of 2021;

10 late renewal request date, March 24, 2022.

11 CHAIRMAN JONES:

12 All right. Do we have someone here from

13 Tangi-Pac?

14 MR. MASSEY:

15 I'm Mike Massey.

16 CHAIRMAN JONES:

17 Good morning, sir. Have a seat, please.

18 Sir, just speak into the mic so we can make

19 sure we pick it up for the record.

20 MR. MASSEY:

21 Okay. I'm Mike Massey, 50 percent owner

22 and Vice President of Tangi-Pac, LLC.

23 CHAIRMAN JONES:

24 Thank you, sir. And just give us an idea

25 of what happened here for the late renewal.

1 MR. MASSEY:

2 What happened is we didn't think the
3 renewals were until 2022.

4 CHAIRMAN JONES:

5 Pull your mic a little bit closer to your
6 mouth. Thank you, sir.

7 MR. MASSEY:

8 In our calendar, we had renewals 2022.
9 The building went in -- the plant went in
10 production in January one year. Well, what
11 happened is the contract had been signed in
12 the previous November or December. So it
13 actually expired but, you know, it was our
14 intention to file for renewal. We didn't
15 think the renewal was needed until 2022.

16 CHAIRMAN JONES:

17 Oh, okay.

18 MR. MASSEY:

19 So we've spent this year gathering
20 information under the EO. We tried to get in
21 to April, and we didn't even know -- the
22 assessor didn't show anything due. We tried
23 to get in to April. We couldn't get the
24 information together to suit everybody for the
25 April. And now that we're here today --

1 CHAIRMAN JONES:

2 Okay.

3 MR. MASSEY:

4 -- we're getting it done.

5 CHAIRMAN JONES:

6 All right. So when would the application
7 have been due?

8 MR. USIE:

9 It was due by 12/31/2021, and they have
10 six months prior to the expiration to renew
11 it.

12 CHAIRMAN JONES:

13 Okay. Well, there's a six-month period
14 in which to do the renewal, so it was filed
15 essentially three months late, almost four
16 months late; is that correct?

17 MR. USIE:

18 Yeah.

19 CHAIRMAN JONES:

20 Okay. All right. Our options are to
21 approve the five-year renewal, approve the
22 penalty, or deny the renewal all together. Do
23 we have a motion? We have a motion from
24 Mr. Slone to approve with a one-year penalty.
25 We have a second from Mr. Moller. Any

1 comments or questions from the public --
2 excuse me, from the Board?

3 Hearing none, any comments from the
4 public?

5 Hearing none, all in favor say, aye.

6 ALL:

7 Aye.

8 CHAIRMAN JONES:

9 Any opposition?

10 There being none, the motion carries.

11 MR. MASSEY:

12 So how does that work?

13 CHAIRMAN JONES:

14 Basically, you will have -- your renewal
15 will be in place, but it will be a four-year
16 renewal instead of a five-year renewal.

17 MR. MASSEY:

18 Okay.

19 CHAIRMAN JONES:

20 All right. Thank you, sir.

21 MR. USIE:

22 Next, we have one Post-EO Renewal
23 following the 2018 Rules. 20170087,
24 Mechanical Equipment Company, Inc. in St.
25 Tammany Parish.

1 CHAIRMAN JONES:

2 All right. Do we have anybody here from
3 Mechanical Equipment? Thank you, sir. If
4 you'd state your name and your position for
5 the company, please.

6 MR. LESTER:

7 Good morning. My name is Brandon Lester.
8 I am with Mechanical Equipment Company and I'm
9 an accountant.

10 CHAIRMAN JONES:

11 Great. Tell us what happened on the late
12 renewal.

13 MR. LESTER:

14 So this was --

15 MR. USIE:

16 It's not late. It's timely.

17 CHAIRMAN JONES:

18 Oh, forgive me. Forgive me. We'd love
19 to have you with us and we enjoy visiting with
20 you, but it's really not necessary. The fall
21 air has got the Chair's mind somewhere else
22 apparently, perhaps getting ready for Alabama,
23 I don't know, but in any event.

24 All right. We have a timely application
25 renewal. Forgive give me, guys. Do we have a

1 motion? Anybody? Somebody want this chair?
2 Mr. St. Blanc. We have a motion from Mr. St.
3 Blanc; second from Mr. Fajardo. Any questions
4 or comments from the Board?

5 Hearing none, any comments from the
6 public?

7 There being 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. USIE:

14 Next, we have a one partial transfer of
15 contract, Sabine Pass Liquefaction, LLC,
16 contract 20110659-J. Sabine Pass
17 Liquefaction, LLC is retaining \$63,106,700 and
18 Sabine Pass LNG, LP is receiving \$23,051,623
19 and this is in Cameron Parish.

20 CHAIRMAN JONES:

21 Do I have a motion to approve? Motion to
22 approve, Mr. Moss. Second? Second from
23 Senator Abraham. Any questions or comments
24 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 MR. USIE:

9 Next, we have six contract cancellations,
10 Advance Products & Systems, Inc., 20140511,
11 20150223, and --

12 CHAIRMAN JONES:

13 Let's stop there and let's handle that
14 one individually; okay.

15 MR. USIE:

16 Okay.

17 CHAIRMAN JONES:

18 All right. Advanced Products & Systems,
19 Inc., the company requests cancellation. Do I
20 have a motion to approve the cancellation?

21 Motion from Mr. Moss; second from Mr. Moller.

22 Any questions or comments from the Board?

23 Hearing none, any comments from the
24 public?

25 MR. USIE:

1 It's three contracts. I didn't get to
2 read the last one.

3 CHAIRMAN JONES:

4 Okay. Forgive me.

5 MR. USIE:

6 The last contract is 20161148, so it's
7 going to be for Advanced Products & Systems in
8 Lafayette.

9 CHAIRMAN JONES:

10 You're enjoying this; aren't you? All
11 right. So we have three contracts, and Mr.
12 Usie has now been allowed to read all three of
13 them, and we have a motion and a second to
14 approve the cancellation. All in favor, say
15 aye.

16 ALL:

17 Aye.

18 CHAIRMAN JONES:

19 Any opposition?

20 There being none, the motion carries.

21 Now, let's speak to South Alexander
22 Development.

23 MR. USIE:

24 You want me to read one at a time?

25 CHAIRMAN JONES:

1 No, let's walk through all three of them
2 because the situation is similar for all
3 three.

4 MR. USIE:

5 We have South Alexander Development I,
6 LLC, contract 20180355 in Livingston Parish,
7 South Alexander Development III, LLC, 20180414
8 in Lincoln Parish, and South Alexander
9 Development X, LLC, 20180287 in Calcasieu
10 Parish. And for all three, LED requests
11 cancellation of these contracts due to the
12 companies failing to file Annual Project
13 Status Reports for the front-end contracts,
14 Affidavit of Final Costs, Project Completion
15 Reports, or comply with the commencement of
16 operations and job reporting requirements
17 outlined in their Exhibit A agreements.
18 Company contacts were notified.

19 CHAIRMAN JONES:

20 Do we have someone here from South
21 Alexander? State your name and your position
22 with the company, please.

23 MR. BRUNEAU:

24 Good morning, Board Members. My name is
25 Adrian Bruneau, I'm the Governmental Counsel

1 for Joule Energy in New Orleans.

2 CHAIRMAN JONES:

3 Okay.

4 MR. BRUNEAU:

5 The agenda items, you've already heard,
6 the projects are in Calcasieu, Lincoln, and
7 Livingston Parishes. We greatly appreciate
8 the time granted since the last board meeting
9 to work through some delays that were caused
10 by Hurricane Laura, Hurricane Ida, and I'd
11 like to refer to the federal government as a
12 hurricane, but I can't, but there was a
13 federal tariff issue which affected the supply
14 chain that I don't know if are aware of that
15 was rectified by the White House via Executive
16 Order. It had to do with a retroactive
17 assignment to a tariff. It completely delayed
18 the supply chain here in the United States.

19 Joule Energy's company that they work
20 with at a senior level, which is Hackney
21 Energy stopped a number of those projects, and
22 it caused a lot of downstream delays, one of
23 which was with Joule Energy. I am happy to
24 report that all of the proper documentation
25 has been filed with LED and all of these

1 projects are back on track and moving forward
2 after these series of unfortunate events.
3 This exemption is critical to the success of
4 these projects. Board Members, we humbly ask
5 for your approval and I'm happy to answer any
6 questions that you may have about any of these
7 projects at this time.

8 CHAIRMAN JONES:

9 I do.

10 MR. BRUNEAU:

11 Yes, sir.

12 CHAIRMAN JONES:

13 I understand that -- when y'all were here
14 for the last meeting, Mr. Schmidt was
15 representing the company for the last meeting.
16 And prior to that meeting, there had been no
17 communication with LED whatsoever. Since the
18 last meeting, which was two months ago, 60
19 days, we did not hear from your company until
20 Friday; is that correct?

21 MR. BRUNEAU:

22 That is correct.

23 CHAIRMAN JONES:

24 Okay. These are significant contracts
25 with significant reporting requirements with

1 South Alexander Development Company's I, II,
2 IV, IX having more. And I understand that you
3 had a hurricane, but that hurricane was a long
4 time ago. And I would have thought, frankly,
5 after the last meeting that your company would
6 have been on the front door of LED the next
7 day trying to figure out what do we do to get
8 these projects back on track. And more to the
9 point, I understand that today or yesterday,
10 y'all filed a bunch of stuff, and most of it
11 is nonresponsive. Now, the Chair has had a
12 bad day today, but I am focused on this like a
13 laser beam.

14 MR. BRUNEAU:

15 Well, I was brought in recently, so I was
16 the one that made contact with Mr. Schmidt and
17 attempted to resolve the issues between the
18 Board and this company.

19 CHAIRMAN JONES:

20 The issue is not between the Board. The
21 issue is with the program.

22 MR. BRUNEAU:

23 Right.

24 CHAIRMAN JONES:

25 There are procedural requirements that

1 you have that your company has that requires
2 filing in a timely manner. Some of these, I
3 don't believe are correctable because you
4 already had a two-year grace period in which
5 to get matters filed that your company
6 ignored. So to come to the Board today and
7 represent that all of the proper documents
8 have been filed, I think, is incorrect;
9 because some -- they can't be rectified
10 because the grace period has already been
11 given and passed.

12 So we're in a situation where I'm just
13 one vote on this Board, but I will be making
14 the motion to cancel these contracts. And I
15 think that may be the first motion this Chair
16 has ever made, but I'm making it. I'm looking
17 for a second. I've got a second from
18 Mr. McInnis. Now, if the Board has any
19 questions or comments for Mr. Bruneau, you're
20 welcome to ask him.

21 Any questions or comments from me? I'll
22 be happy to answer them.

23 MR. MOSS:

24 I do, Mr. Chairman.

25 CHAIRMAN JONES:

1 Yes, sir.

2 MR. MOSS:

3 Mr. Bruneau, I assume these contracts are
4 viable to get this project up and running?

5 MR. BRUNEAU:

6 They are. And with sincere apologizes to
7 the program coming in, I'm happy to work with
8 the Board and with the program and getting
9 everything they need to get straight. I'm
10 coming on this relatively late to the
11 equation. That's no excuse, I understand
12 that. And understanding their series of
13 events, those things affected the company to
14 the point of almost insolvency. And so I
15 don't think that there was any malicious
16 intent not to be there. I have tried to work
17 with them and get them up to speed as fast as
18 we can. I would simply ask for some
19 consideration to that effect, get them back
20 online, get these projects ready and up and
21 vertical and ready to go now.

22 So I would just plead compassion to the
23 Board, give us a little more time. They did
24 get in all the paperwork. That was a specific
25 request that I got to them. And if there's

1 anything else that needs to be submitted,
2 we're happy to get that back on track. We see
3 these as -- you know, it's inexcusable what's
4 happened in the past, but they want to get
5 right. They want to get these projects going
6 vertical and they'll have a positive impact in
7 each one of these parishes where they're going
8 up. So I thank you for your time and your
9 consideration.

10 CHAIRMAN JONES:

11 And to make sure that I am not
12 overreacting, sometimes I'm accused of that,
13 Mr. Usie, tell me about the documents that
14 have been filed.

15 MR. USIE:

16 So as of 9:15 this morning, we had a 2022
17 Annual Project Status Report and it only had
18 one statement for the Livingston Parish saying
19 that due -- it was the hurricane, and it was
20 going to be completed in March of next year.
21 The other two also had statements saying they
22 were going to be completed in 2023.

23 What were missing that I followed up with
24 Mr. Schmidt saying that we needed 2020's
25 Annual Status Report and 2021's Annual Status

1 Report showing what took place or didn't take
2 place in those calendar years. Those were
3 submitted, but it was copy and paste wording
4 of the 2022 reports.

5 Additionally, we gave, after the
6 August 24th board meeting, we reached out to
7 Mr. Schmidt outlining the Exhibit A amendment
8 process approved by the Board. And if they
9 wanted to amend the existing Exhibit A
10 agreements, they could reach out to the locals
11 and get resolutions, and we never heard back
12 from them.

13 CHAIRMAN JONES:

14 Yeah. Mr. Bruneau, I understand you're
15 not a member of the company, you're simply a
16 representative of the company.

17 MR. BRUNEAU:

18 Yes, sir.

19 CHAIRMAN JONES:

20 So I hope that you will communicate to
21 the company at least one board member's
22 dissatisfaction with its response.

23 MR. BRUNEAU:

24 Yes.

25 CHAIRMAN JONES:

1 And I want to -- the reason I think my
2 reaction may be as visceral as it is, is
3 because this program has come under incredible
4 scrutiny in the last ten years. Solar panels
5 for this program have come under incredible
6 scrutiny, and this Board has come under
7 incredible scrutiny for it. Your company or
8 the company you represent was one of the first
9 ones that this Board stuck its neck out for,
10 and LED stuck its neck out for and granted.
11 And the handling and responsiveness and even
12 attention to even the merest level of detail
13 has been nonexistent.

14 And then when Mr. Schmidt was here two
15 months ago and we explained this to him, the
16 behavior only repeated itself. I appreciate
17 you're trying to come in and salvage their
18 attempts, but I'm afraid it's too little too
19 late, at least from my perspective. The rest
20 of the Board can vote however they wish, but
21 we have a motion and a second from Senator
22 Abraham -- yes, sir?

23 SENATOR ABRAHAM:

24 Just a question. I agree with all your
25 comments, but I wasn't here in the past

1 meetings. How much money, just out of
2 curiosity, are y'all investing in these
3 projects? And how much have you invested?

4 MR. BRUNEAU:

5 We have, it's my understanding, there's
6 seven of -- no, there's eight other projects
7 besides these, which have gone in. The total
8 investment is around \$20 million.

9 SENATOR ABRAHAM:

10 How much have you spent so far?

11 MR. BRUNEAU:

12 On most of those projects, around --

13 SENATOR ABRAHAM:

14 For these three here?

15 MR. BRUNEAU:

16 Around \$11 million from my understanding
17 so far.

18 SENATOR ABRAHAM:

19 Okay. Thank you.

20 MR. BRUNEAU:

21 Yes, sir.

22 CHAIRMAN JONES:

23 All right. Any other comments or
24 questions from the Board?

25 Any further comments from the public?

1 Hearing none, the motion is to cancel all
2 three of these contracts for Livingston,
3 Lincoln, and Calcasieu Parish. All in favor,
4 say aye.

5 ALL:

6 Aye.

7 CHAIRMAN JONES:

8 Any opposition?

9 There is none, the motion carries.

10 Thank you, Mr. Bruneau.

11 MR. BRUNEAU:

12 Yes, sir.

13 MS. CHENG:

14 We have six Special Requests. The first
15 one is form C&C Marine and Repair, LLC, and
16 that's for two contracts, contract 20190003
17 and 20190003-A.

18 CHAIRMAN JONES:

19 All right. Do we have someone here from
20 C&C Marine? Please state your name and your
21 position with the company, please.

22 MS. SAVELA:

23 Allison Savela, I'm the CPA for the
24 entity.

25 CHAIRMAN JONES:

1 All right. Ms. Cheng, can you tell us
2 exactly what we're looking for here?

3 MS. CHENG:

4 C&C Marine and Repair is requesting to
5 amend their Exhibit A to -- they originally
6 were required to create 35 jobs and they're
7 requesting to reduce it to 10 jobs.

8 CHAIRMAN JONES:

9 And why is this coming to the Board as a
10 Special Request?

11 MS. CHENG:

12 Because the Board approved the Exhibit A
13 originally with 35 jobs.

14 CHAIRMAN JONES:

15 Good. Thank you. And so in order to
16 change the job and the payroll numbers, the
17 Board would have to basically -- and, again,
18 just for board members who are new to the
19 Board, when these applications are entered
20 into, and this is a critical understanding, I
21 think, it's not just a matter of filling out
22 an application and then applying for it. Once
23 the deal has been struck, it is reduced to a
24 contract. In fact, it's a contract that is
25 entered into between the applicant and the

1 State of Louisiana. The Governor signs it on
2 behalf of the State.

3 So when certain things happen, as in any
4 contract, things happen and the parties have
5 the right to renegotiate the terms of the
6 contract if they wish. And so I believe, and
7 it is not inappropriate to explain what C&C
8 Marine is coming to us, is asking basically,
9 can we amend the contract. Specifically,
10 they're trying to reduce their job requirement
11 from 35 jobs to 10 jobs. Tell us what is the
12 reason for the request.

13 MS. SAVELA:

14 As was presented to the Board at the last
15 meeting by Ms. Marcel, they have been having a
16 great deal of difficulty hiring, predominately
17 because of COVID. When Ms. Marcel was here
18 before the Board last meeting, it was to give
19 special permission for having their headcount
20 increase. This is just putting it into a fact
21 so that on a go-forward basis, we will not
22 have to continually come before the Board
23 should this continue. They are still, since
24 the last meeting, having difficulty increasing
25 their headcount. They have been able to

1 maintain it over the last quarter.

2 So although there is a request to
3 decrease the headcount, the salary per person
4 has also requested -- has actually increased.
5 So the prior contract had the 35 people or the
6 35 full-time equivalent headcount increase at
7 approximately \$27,000 per person; where now,
8 although the numbers, the headcount itself has
9 decreased, the salary has increased to at
10 least \$30,000 a person.

11 CHAIRMAN JONES:

12 Okay. Now, you have already gone to the
13 local bodies and requested their opinion on
14 this?

15 MS. SAVELA:

16 Yes, sir. The School Board and the
17 Sheriff's Office have given approval and those
18 are included or were included with the
19 original request format.

20 CHAIRMAN JONES:

21 And I understand there is no -- nothing
22 from the Parish simply because the Parish did
23 not approve the contract to begin with.

24 MS. SAVELA:

25 Correct.

1 CHAIRMAN JONES:

2 So you have been paying taxes, the Parish
3 ad valorem taxes, but you have been exempted
4 from at least a portion of the Sheriff's taxes
5 and the School Board's taxes.

6 MS. SAVELA:

7 Yes, sir.

8 CHAIRMAN JONES:

9 Is that correct?

10 MS. SAVELA:

11 (Nods head.)

12 CHAIRMAN JONES:

13 Okay. All right. So now with the
14 approval from both the School Board and the
15 Sheriff to amend the contract, do we have a
16 motion from the Board? We have a motion from
17 Mr. Nassar. We have a second from
18 Mr. Pierson. Any questions or comments from
19 the Board? Yes, sir?

20 MR. MCINNIS:

21 Mr. Chairman, I just want to, I know you
22 got approvals from the School Board and the
23 Sheriff, but the Parish President is in
24 support of this.

25 CHAIRMAN JONES:

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

3 Hearing none, any comments from the
4 public?

5 Hearing none, all in favor, say aye.

6 ALL:

7 Aye.

8 CHAIRMAN JONES:

9 Any opposition?

10 There being none, the motion carries.

11 MS. SAVELA:

12 Thank you very much.

13 CHAIRMAN JONES:

14 Thank you. Appreciate you being here.

15 Next?

16 MS. CHENG:

17 We have three Special Requests from the
18 LA3 West Baton Rouge, LLC, contracts 20161942,
19 20170443, and 20170504.

20 CHAIRMAN JONES:

21 Okay. Is there anyone here from LA3?
22 State your name and position with the company,
23 please.

24 MR. COLE:

25 Yes, Mr. Chairman. My name is Cade Cole,

1 I'm the attorney for the company, and I have
2 with me Gordon Hook who is their Associate
3 Vice President. Mr. Chairman, this is really
4 a technical contract amendment. They're not
5 trying to change the jobs or the numbers or
6 the dollars or anything like that. What we
7 have discovered is that your current contract
8 form, this is one of the earlier kind of
9 contracts, your current contract form has a
10 definition for subcontractor so that the
11 qualified subcontractor who is meeting all the
12 benefits and dollars and job requirements and
13 all that kind of stuff is picked up in your
14 current kind of form contract, but it wasn't
15 in our older contracts. So this basically
16 just brings that forward and otherwise
17 conforms the contract to y'all's current form.

18 CHAIRMAN JONES:

19 Okay. So I want to be sure I'm clear on
20 all this. And, Ms. Porter, we may need your
21 help on this. So what you're saying is under
22 the contract, what I'll say is the basic
23 contract that is now in place with LED, when
24 we're talking about number of jobs, it
25 includes subcontractors within the jobs

1 numbers?

2 MR. COLE:

3 So what we're doing here is your original
4 definition of qualified contractor allowed a
5 qualified contractor that has all the
6 benefits, requirements, and salary
7 requirements and everything else --

8 CHAIRMAN JONES:

9 Right, right, right.

10 MR. COLE:

11 -- to do that. And so it's probably the
12 case that that extended to contractors of
13 contractors. But kind of belts and suspenders
14 in our discussions with LED, it was deemed
15 appropriate to come forward and kind of
16 clarify that. And as part of that,
17 Ms. Bourgeois, who was then working with us
18 said, hey, let's just update the contract to
19 our current form.

20 CHAIRMAN JONES:

21 All right. Mr. Pierson?

22 SECRETARY PIERSON:

23 Just some clarity here for the Board
24 again, subcontractors don't qualify under
25 Quality Jobs or Enterprise Zone Programs.

1 However, under the ITEP Program for long term,
2 a lot of companies subcontract out their
3 maintenance operations, so subcontractors are
4 recognized under ITEP. So in the early
5 edition of his contractual obligation, that
6 wasn't noted in that file that way, and so
7 this was, say, the technical clarification and
8 I agree with his description of it.

9 CHAIRMAN JONES:

10 Okay. I'm having a little bit of
11 difficulty, and I have no problem with the
12 concept, I'm having a little bit of difficulty
13 with do we apply this retroactively or not;
14 because we've passed a motion back in, I
15 think, '21 in which we outlined how we would
16 handle amending the contracts. And we
17 specifically said at that time that there
18 would not be retroactive application. Do you
19 understand that if we do do this, it's only
20 going to be perspective?

21 MR. COLE:

22 Well, the discussion with your staff --
23 well, the LED staff, I know this is the Board.

24 CHAIRMAN JONES:

25 This is not my staff.

1 MR. COLE:

2 I know. With LED staff is because this
3 was so technical and this was really kind of a
4 belts and suspenders approach, as the
5 Department said, that had been kind of the
6 interpretation and the practice was that that
7 was the appropriate thing to do for this. So
8 working with LED staff, that's why we proposed
9 to do it retroactively; because in a lot of
10 ways, it arguably isn't changing anything.
11 The definition of qualified contractor says go
12 forward and, you know, do these things through
13 a long-term contractor that, again, is meeting
14 all of the salary requirements, all of the
15 benefit requirements, and everything else for
16 the site. And I think that had been the
17 practice, as I understand it. Kind of as an
18 audit of our file and the prime contractor
19 that we work with, they kind of said, hey,
20 let's belts and suspenders this thing. And I
21 think because it's just a technical
22 clarification, it kind of was a reflection of
23 LED's practice. I think that's why they
24 worked with us on their staff recommending
25 that this be retroactive. Ms. Bourgeois and I

1 worked through that issue pretty detailed.

2 CHAIRMAN JONES:

3 Mr. Pierson?

4 SECRETARY PIERSON:

5 Sometimes there's a ramp associated with
6 the jobs. And each year, it increases until
7 it gets to a total agreed upon. Does that
8 ramp intersect with any of this conversation
9 in terms of the look back that the Chair is
10 concerned about?

11 MR. USIE:

12 No, this contract didn't have a ramp up
13 in payroll. Some of them do, but this one
14 didn't.

15 SECRETARY PIERSON:

16 So I'm taking it there's a short fall
17 without the consideration of the associated
18 subcontractor.

19 MR. USIE:

20 Correct. Their 2021 Annual Compliance
21 has already been submitted. So if it goes
22 back approved retroactively, it would have an
23 effect on whether that year is compliant or
24 noncompliant. So without consideration of the
25 subcontractors, 2021 would be noncompliant

1 because it's only qualified contractors in
2 that agreement.

3 So if it's applied prospectively 2021
4 when it's reviewed, it would be more than
5 likely found to be noncompliant and the locals
6 will be notified and come before the Board.
7 If it's retroactive, then they would be able
8 to include those subcontractor positions and
9 be deemed compliant.

10 CHAIRMAN JONES:

11 Thank you, Mr. Usie. I appreciate that.
12 Mr. Abraham?

13 SENATOR ABRAHAM:

14 Yes. So what I'm understanding is you
15 thought these were included, so you filed the
16 report. Now, you're thinking that once the
17 report is audited, they might find this
18 headcount, is that what you're saying?

19 MR. COLE:

20 I think everybody thought that it was not
21 required to be in there at the time because it
22 had been kind of the practice. But I think
23 because y'all had kind of updated your form,
24 it was probably flagged, hey, there's a better
25 way to say it. And so all we're saying is,

1 you know, we're here to say it that same way.
2 This is always how it has been done at this
3 site and been done at other sites, I think,
4 but I think ultimately it's a codification of
5 what had been the practice.

6 I think we could have taken the view that
7 it was not necessary that, you know, the later
8 contract language was, you know, additionally
9 clarifying but not different. And, you know,
10 it was kind of vote up and said it was
11 compliant, but I think the guidance we were
12 given is this was so technical and in line
13 with what had occurred and just kind of
14 submitted and bring the whole contract up to
15 date with the form contract that's normally in
16 place.

17 SENATOR ABRAHAM:

18 Mr. Chairman, with that information and
19 with what I heard from Secretary Pierson, I
20 would make a motion we accept it.

21 SENATOR REESE:

22 Second.

23 CHAIRMAN JONES:

24 We have a motion. And who was my second?

25 SENATOR REESE:

1 Second.

2 CHAIRMAN JONES:

3 Oh, second by Senator Reese.

4 MR. BLOCK:

5 Mr. Chairman, I --

6 CHAIRMAN JONES:

7 We'll get there. We have a motion and a
8 second. And, now, comments and questions from
9 the Board?

10 Mr. Block?

11 MR. BLOCK:

12 So my main concern about this is this
13 can't be the only entity that's affected by
14 this, and so I want to make sure we're not
15 doing something where this issue for each
16 applicant that is potentially affected by this
17 and I don't know what that universe is, but
18 it's a more than one --

19 CHAIRMAN JONES:

20 Sure.

21 MR. BLOCK:

22 -- is that we're not doing something
23 where we have to do this piecemeal and entity
24 by entity; because first off, that might mean
25 this action by the Board today might prompt a

1 whole bunch of them to have to come before the
2 Board. And so I'm wondering if there's not
3 some better way to do this where it can be
4 done universally and not on a case by case
5 basis.

6 And so I'll -- I guess that's a question
7 for the LED staff, is there some other way to
8 do this if it in fact was always the intention
9 that this was going to be covered? Is
10 there -- and I guess I take the Secretary's
11 point that if that was in fact the case, then
12 is there some other way that this can be
13 clarified so we're not having to do this on an
14 individual basis?

15 CHAIRMAN JONES:

16 Without -- it would seem I agree with
17 you, Mr. Block, and that's the thing that
18 especially with if we allow a retroactive
19 application for one without allowing it for
20 all, there -- it -- handling it on a case by
21 case basis seems to present all sorts of
22 opportunities for issues. What I would ask,
23 I'm spit balling here, but it would seem to me
24 there would -- there could be a Board
25 resolution that basically recognizes the issue

1 and be drafted to apply with the universe of
2 contracts, which may be so worded. Is that
3 something, Ms. Porter, you think your folks
4 could handle for us?

5 I'm sorry. Somebody make room for
6 Ms. Porter. I need to let her weigh in on
7 this. Please state your name.

8 MS. PORTER:

9 Robin Porter, Executive Counsel for LED.
10 I think maybe if we style it basically as a
11 clarification of definition, that may be more
12 appropriate than just going through and
13 allowing the retroactivity, because the Board
14 indicated on the 2021 April motion that these
15 matters would be done perspectively. And, Mr.
16 Block, you were on point to indicate that it
17 could open the door to allow for, you know,
18 someone to correct whether or not you're
19 compliant and so forth to go back. But I
20 think if we limit it to just a clarification
21 of definition that we should be able to --
22 that should work appropriately.

23 CHAIRMAN JONES:

24 Can we do that simply by a motion today
25 or do we need a formal resolution to be

1 prepared for the next meeting?

2 MS. PORTER:

3 My opinion is that you're going to need a
4 formal resolution.

5 CHAIRMAN JONES:

6 Okay. Mr. Block?

7 MR. BLOCK:

8 Mr. Cole, is there an issue on timing if
9 this is deferred today and it is put back on
10 the December agenda in time for this to be
11 considered?

12 MR. COLE:

13 So my colleague, who is the counsel for
14 the prime contractor that then hires the
15 subcontractors, advises that perhaps the vote
16 today can be to go ahead and do the amendment,
17 because so much work has went with LED staff
18 on updating it to the current format, not
19 retroactively, but just do the amendment. And
20 then y'all can clarify the prior contract term
21 in the way that y'all have described by a
22 resolution for everybody.

23 CHAIRMAN JONES:

24 I really don't feel comfortable amending
25 a single contract on this issue. If we could

1 handle it -- that's my preference, at least,
2 if we can handle it in a universal fashion.
3 And the reason being is the law of unintended
4 consequences. I don't know how that may play
5 out in a future issue. I just don't know.
6 But if what I'm learning this morning is that
7 the issue is, is we truly have a clarification
8 -- it is truly a clarification issue --

9 MS. PORTER:

10 Right.

11 CHAIRMAN JONES:

12 -- rather than changing a contract. And
13 so rather than change a contract, I would
14 rather see an action by this Board recognizing
15 the clarification and making it, therefore,
16 universally applicable so that -- I mean I
17 just think that makes more sense.

18 MR. COLE:

19 And, Mr. Chairman, I just want to add,
20 there's nothing else that I would say
21 substantive that we are looking for, but
22 working with LED, I think there were a variety
23 of clauses that, again, all I think very
24 technical, venue selection in the 19th JDC and
25 all these things that are in your normal

1 contract now, that I think the suggestion from
2 working with LED was just update this to the
3 current contract without changing the date.
4 And I think that's -- I'll defer to the Board
5 on that, but that was what we'd been working
6 on and various of our clients have been
7 reviewing, and everyone is okay with that
8 standard LED contracts. So what I was
9 suggesting was that perhaps it would be that
10 that would be the case prospectively because
11 everyone was working through all of this with
12 the Department.

13 CHAIRMAN JONES:

14 Well, the problem with that is the only
15 issue -- I don't have all the other issues
16 before me. The only issue I have before me is
17 the issue of the qualified contractor, and I
18 --

19 MR. COLE:

20 And that's the only issue we need.

21 CHAIRMAN JONES:

22 Well, but even if we move to approve
23 that, that's not going to affect all the other
24 amendments that apparently are necessary. So,
25 you know, that, I -- yeah, I don't think that

1 dog is before me right now. But what I would
2 like to do is -- let me -- Hud, Ms. Cheng, is
3 there any issue, to Mr. Block's point, is
4 there any issue as far as this contract is
5 concerned in deferring this to the next
6 meeting and handling with the universal
7 resolution? Does that affect this contract in
8 any way or the compliance issue with it in any
9 way?

10 MR. USIE:

11 (Shakes head.)

12 CHAIRMAN JONES:

13 Would you please answer verbally?

14 MR. USIE:

15 Not that I'm aware of, no.

16 CHAIRMAN JONES:

17 Thank you very much. All right. Then
18 it's my suggestion, and I would ask for a
19 friendly amendment, that we basically defer
20 this matter. And, Mr. Abraham, it was your
21 motion?

22 SENATOR ABRAHAM:

23 Yeah, I could just withdraw my motion.

24 CHAIRMAN JONES:

25 You withdraw your motion?

1 SENATOR ABRAHAM:

2 I'll do that. But let me ask you a
3 question.

4 CHAIRMAN JONES:

5 Absolutely.

6 SENATOR ABRAHAM:

7 Under the clarification rule, in my mind,
8 we're not doing anything retroactive.

9 CHAIRMAN JONES:

10 Actually, what we're doing is saying this
11 is what it meant all along.

12 SENATOR ABRAHAM:

13 All along. So that there's no
14 retroactivity to it.

15 CHAIRMAN JONES:

16 That's a hundred percent correct.

17 SENATOR ABRAHAM:

18 That's my point.

19 CHAIRMAN JONES:

20 Exactly. All right. Ms. Porter, we
21 would ask you -- first of all, so the motion
22 is withdrawn. And we have a motion from
23 Mr. Nassar to defer and a second from
24 Mr. Block. All in favor of the motion to
25 defer, say aye.

1 ALL:

2 Aye.

3 CHAIRMAN JONES:

4 Any opposition?

5 There being none, the motion carries.

6 And then the Board would ask Ms. Porter to
7 work with staff to develop a resolution for
8 this clarification on this qualified
9 contractor issue --

10 MS. PORTER:

11 Okay.

12 CHAIRMAN JONES:

13 -- so that it has universal application
14 to all similarly-situated contracts.

15 MS. PORTER:

16 Okay.

17 CHAIRMAN JONES:

18 Okay.

19 MR. COLE:

20 Thank you very much.

21 CHAIRMAN JONES:

22 Thank you. I appreciate y'all being here
23 today.

24 MS. CHENG:

25 And we have one last Special Request from

1 Lamb Weston, Inc., contract 20200134.

2 CHAIRMAN JONES:

3 Someone here from Lamb Weston? Please
4 come forward. Yes, sir, if you'd state your
5 name and your position with the company,
6 please?

7 MR. BARESWILL:

8 Good morning. My name is Joe Bareswill,
9 Plant Finance Manager for Lamb Weston, the
10 Delhi Plant.

11 CHAIRMAN JONES:

12 Okay. And, Ms. Cheng, tell us what's
13 happening here.

14 MS. CHENG:

15 This application was originally denied by
16 the locals within the 30 days that were
17 provided by rules to provide notice to LED of
18 their decision. The Police Jury and the
19 School Board denied within the first 30 days.
20 It was after the 60-day window for local
21 governmental entities to take action that we
22 received a request from the local -- from the
23 company that the Police Jury and the School
24 Board are wanting to change their decisions to
25 approve this.

1 CHAIRMAN JONES:

2 Okay. So make sure I understand you, you
3 want to go ahead and tell us what happened
4 here?

5 MR. BARESWILL:

6 Yeah. So, essentially, as was stated,
7 both the Richland Parish School Board and the
8 Richland Parish Police Jury denied the tax
9 credit. We were not at -- we were not present
10 at the Board meetings. Once we were informed
11 that they had denied the credits or the
12 application, then we had conversations with
13 each of the boards and actually did a
14 presentation on our project and what it did to
15 the community.

16 And since then, of course, that was after
17 the April deadline, the 60-day deadline, as
18 she mentioned. So during the month of May and
19 June, we had both boards approve our tax
20 credit with both the School Board and the
21 Police Jury. The Police Jury unanimously
22 approved it, and then it was a majority on the
23 School Board.

24 CHAIRMAN JONES:

25 All right. Folks, believe it or not,

1 this is not the first time this has happened
2 before this Board. And in the past, we have
3 not honored the change of mind by local
4 government. And, again, just one board member
5 expressing an opinion, but the local
6 government approval process is, obviously, it
7 was introduced into this program back in 2016.
8 But since 2016, it has become an integral part
9 of the process. And anybody whose worked
10 within this process understands that local
11 government is in one shape, form, or another
12 has a seat at this table in approving these
13 contracts. Now what I'm interested in is why
14 no one from Lamb Weston went to the boards to
15 begin with to make your case for why the
16 Parish entity should approve your contract;
17 why didn't you?

18 MR. BARESWILL:

19 There's no excuse for that. We did not
20 know -- well, I was not aware of when those
21 meetings were held. We assumed, and when I
22 say we, Lamb Weston's Tax Department that's
23 headquartered in the northwest of this country
24 in Washington does all the tax work for us.
25 We had talked to several of the Police Jurors

1 and several of the School Board members
2 outside of the meeting, and we just assumed
3 and made the assumption that it would be
4 passed. There was a couple of board members
5 at the School Board that did not fully
6 understand the taxes that we pay to the
7 Parish. Once we made our case at the next
8 board meeting, they saw the implications that
9 on the taxes that we pay to their school
10 district.

11 CHAIRMAN JONES:

12 And, again, so that newer members to the
13 Board understand what, and I may need the
14 staff to help me with these deadlines, but
15 once the matter goes to the local governments,
16 in what period of time do they have to
17 respond?

18 MS. CHENG:

19 They have 30 days to let us know if they
20 are going to hold a meeting and if they are
21 going to -- if they notify us with a Notice of
22 Action stating that they're going to hold a
23 meeting, that gives them an additional 30 days
24 for a total of 60 days.

25 CHAIRMAN JONES:

1 And so when a local entity has -- they
2 notify you they're going to have the meeting
3 and they have to have the meeting within 30
4 days, if after 60 days we have heard nothing
5 from the local government, what happens?

6 MS. CHENG:

7 It's automatically deemed approved.

8 CHAIRMAN JONES:

9 Okay. So when the local government goes
10 to the trouble of holding a meeting and making
11 a decision, then that comes to us as a denial;
12 is that correct?

13 MS. CHENG:

14 Sometimes they have a meeting and approve
15 it.

16 CHAIRMAN JONES:

17 Well, yeah, but assuming -- but for the
18 approvals, if they deny it, it's a denial and
19 that goes into our records as a denial?

20 MS. CHENG:

21 Yes, sir.

22 CHAIRMAN JONES:

23 All right. Now in this situation,
24 everything that happened after the 60 days is
25 frankly outside our rules; is that correct?

1 MS. CHENG:

2 Yes, sir.

3 CHAIRMAN JONES:

4 Okay. So folks, in order for us to -- in
5 order for -- again, this is one board member.
6 This is not Board policy or LED policy, but
7 from my perspective, in order for us to say,
8 okay, local government, they've changed their
9 minds outside of that 60-day period, we
10 basically viscerate the 60-day period and we
11 basically tell local government, yeah, the 60
12 days is not a requirement, it's a suggestion.
13 And if we open the door for allowing local
14 government to change its mind for any reason,
15 then any reason is going to be good enough is
16 my concern.

17 And so while I'm sympathetic to the
18 company for, but at the same time, guys, if
19 you didn't understand that you needed to
20 really take care of your politics with the
21 local government, then that's on y'all. I
22 would love to say that, you know, there's a
23 softer way of saying that, but I don't know
24 how to say it any softer. This program, and
25 I'm, I feel like I'm beating this drum all day

1 today, this program is a valuable program.
2 And if the applicants are going to apply for
3 it, they need to now understand this is what
4 goes with it. And, frankly, if local
5 government is going to be a participant in
6 this program, they need to understand that as
7 well and they need to take this stuff
8 seriously, they need to do it in a timely
9 manner, and they need to do it conscientiously
10 with a lot of forethought of do we want to
11 participate in this or not.

12 But I'm afraid, again, just one board
13 member's perspective, I'm afraid if we start
14 opening the door for every time a local
15 government or a company decides to get its
16 stuff together and get to the local government
17 that we start -- we're going to create, again,
18 a lot of unintended consequences for this
19 program and make it much more difficult to
20 administer and start getting into the areas of
21 arbitrary and capricious, which is something I
22 really, really don't want to do.

23 So with that, I would accept a motion.

24 Mr. Nassar.

25 MR. NASSAR:

1 I make a motion to deny their request.

2 CHAIRMAN JONES:

3 I have a -- has there been another
4 motion? I don't think there's been a motion.
5 Are you making a motion?

6 MR. NASSAR:

7 Yes.

8 CHAIRMAN JONES:

9 Okay. We have a motion from Mr. Nassar
10 to deny the request. Do I have a second? I
11 have a second from Mr. Moller. I have a
12 motion, a second to do deny the request to
13 allow the changing of the mind of the Police
14 Jury and the Board to be effective. Any
15 comments or questions from the Board?

16 Any comments from Mr McInnis?

17 MR. MCINNIS:

18 Mr. Chairman, I just want to -- this
19 happened in St. Bernard Parish, the very first
20 ITEP that we dealt with and we screwed up, you
21 know, the whole process of getting the company
22 involved from our standpoint as a governing
23 authority, Sheriff, School Board, and the
24 company's proactive participation in it. And,
25 you know, I remember coming and talking with

1 staff to try to reverse that, try to do our
2 own exemption, which is not -- it's not
3 prohibited in the constitution, but it doesn't
4 give us that authority. So we just kind of
5 let that go. And, you know, we lost a
6 significant investment because of that.

7 CHAIRMAN JONES:

8 Right.

9 MR. MCINNIS:

10 But I do agree that, you know, we can't
11 allow this to happen because we just can't
12 have these mistakes being made and trying to
13 correct them here at this level. The local
14 government, who I represent here today, I
15 think have gotten their act together and are
16 actively participating, and it is good for the
17 whole program as a whole. So I just wanted to
18 make that statement, Mr. Chairman. Thank you.

19 CHAIRMAN JONES:

20 Thank you, Mr. McInnis.

21 Mayor Toups?

22 MAYOR TOUPS:

23 Thank you. As a representative of local
24 government, I agree as well. I think not
25 every local government is used to dealing with

1 things like this, and that's why it's
2 important that a company, and I think the LED
3 has a place in it too to make sure that local
4 governments understand. Again, a problem I've
5 had all along was our communication with the
6 local governments. If I'm not mistaken, local
7 governments get notified through an email; is
8 that correct?

9 MS. CHENG:

10 We also send it via USPS certified mail.

11 MAYOR TOUPS:

12 United States Postal Service?

13 MS. CHENG:

14 Yes, sir.

15 MAYOR TOUPS:

16 Do we know how that operates this day and
17 age?

18 MS. CHENG:

19 I get the certified mail receipts.

20 MAYOR TOUPS:

21 I think it would be -- I mean no offense
22 to the Postal Service, but I've had things,
23 even checks that come in -- my health
24 insurance at work was at the Town of Addis was
25 canceled because we used to do things through

1 the Postal Service, so that's how important
2 that is. I think notification to local
3 government should be something more than just
4 an email or United States Postal Service.

5 MS. CHENG:

6 What is your recommendation?

7 MAYOR TOUPS:

8 I think certified mail, I mean --

9 MS. CHENG:

10 I said it's certified USPS mail, sir.

11 MAYOR TOUPS:

12 Okay.

13 CHAIRMAN JONES:

14 I understand your concern with the Postal
15 Service, but that -- your options are email,
16 fax, tweet, text, USPS, Fedex, UPS, carrier
17 pigeon, I don't -- there's only -- and, I
18 mean, and I understand your frustration, but
19 we're doing it by email and certified mail. I
20 don't know if there's any better way of doing
21 it that's more efficient. And, again, in the
22 words of Mr. Churchill, it may be the worst
23 government in the world except all the others,
24 you know. I mean I think that may be where we
25 are.

1 All right. So we have a motion by Mr. --
2 I'm sorry. Mr. Fajardo?

3 MR. FAJARDO:

4 Okay. Mr. Chairman, I do agree with it
5 because I think, you know, I've been on this
6 board for a while, and it's my understanding
7 that we gave local government that power to be
8 able to do this, and there has to be some
9 accountability, not with just the company but
10 with them as well because we created these
11 rules to be in place. And I think it's
12 important to know that, especially for a
13 company, I mean I always like to hear when
14 there's actually the president or the owner of
15 the company or a representative. It's no face
16 to, like, attorneys or anybody that's hired by
17 the company, but for at least a company to be
18 here to fight for their taxes and fight for
19 those things. It's really important that we
20 see that because we know that they are
21 invested into the State.

22 And I think what is important is that we
23 can't set precedents with things like this to
24 open up doors where things are going to
25 change. And, I mean, you're right, the Board

1 was under scrutiny for a long time, but we've
2 worked with local government and with
3 companies to make sure that everything is
4 going through. So it needs to be
5 accountability held for all parties involved.

6 CHAIRMAN JONES:

7 Thank you, Mr. Fajardo. Any other
8 comments? Questions?

9 Hearing none, any other comments from the
10 public?

11 MR. BARESWILL:

12 Can I --

13 CHAIRMAN JONES:

14 Yes, sir. Absolutely.

15 MR. BARESWILL:

16 So Mr. Toups and Mr. McInnis, I don't
17 remember which gentleman made the comment, but
18 I will say when I did approach, and we did go
19 to the board meeting at the Richland Parish
20 School District, we had to educate them on how
21 the process works regarding the industrial tax
22 credits. They were unaware on what their --
23 what they said as no or deemed denied really
24 meant. And so, you know, we had -- we brought
25 in our tax assessor from the Parish to kind of

1 speak on our behalf. We even reached out to
2 our local Congresswoman Letlow and our State
3 Representative Thompson to help out on this.

4 I do agree that the business has a
5 proactive right and responsibility to attend
6 those meetings; not going to deny that. I
7 agree. However, you know, we did go to the
8 Richland Parish School Board meeting the
9 following month. They tabled the decision for
10 another month that fell outside the April
11 window because they did not want to vote on it
12 after we had a discussion at that board
13 meeting. So, you know, that went outside the
14 window.

15 The Police Jury meeting, we did attend it
16 in April, and it was approved in May. So,
17 yes, it was, you know, several weeks after the
18 April 26th deadline, but it was approved in
19 that following month. The School Board waited
20 an extra 30 days because they did not want to
21 vote on it when we did go to it.

22 CHAIRMAN JONES:

23 I think, again, I know it may not sound
24 like it, I'm sympathetic to the problem, I
25 really am because I know there are certain

1 parishes in this state that deal with the
2 Industrial Tax Exemption Program. It's not a
3 tax credit. It's a tax exemption, big
4 difference.

5 MR. BARESWILL:

6 Yeah.

7 CHAIRMAN JONES:

8 But there are certain parishes in the
9 State who deal with it every meeting.
10 Unfortunately, Richland Parish is not one of
11 those, and I get that. It's a new thing for
12 many of the parishes, especially when you get
13 outside of the River District, when you get
14 outside off the coast, when you get north of
15 Bunkie, a lot of parishes out there don't see
16 the manufacturing that parishes in the
17 southern part of the state do. So I
18 understand the issue and the problem; however,
19 that's when it becomes even more incumbent
20 upon the company to take the initiative to
21 educate the government leaders not only on
22 your project but on the program. I wish there
23 was a better way to do that, but we haven't
24 devised it yet.

25 So I come back to my comment, and again,

1 I'm not trying to be critical, but to point
2 out, this could have been -- obviously, y'all
3 did a great job of selling your project, but
4 you did it too late. And if you had done it
5 in a more timely manner, you wouldn't have
6 this issue. So I put less -- frankly, I put
7 less responsibility on this outcome on the
8 local government than I do on the company.
9 And I'm not blaming you. I'm not -- but
10 somebody at the company should have said, we
11 need to get to work on getting this sold at
12 the local government level. And for whoever
13 may be listening to this, if you have projects
14 in parishes that don't see a lot of
15 manufacturing, this is an object lesson.

16 When you intend to enter the ITEP Program
17 or frankly, QJ, Enterprise, any of these
18 incentive programs, you ought to be working
19 with local government to make sure they
20 understand the benefits that your company
21 brings to the Parish. And the better the
22 companies -- one thing I've heard in debates
23 over the ITEP programs and the pros and cons
24 of the EO that was signed in 2016, is that in
25 those parishes where there is a lot of

1 manufacturing, the communication between
2 industry and local government has gotten
3 better. And, guys, that's not a bad thing.
4 That's a good thing.

5 And so in those parishes where there's
6 not as much manufacturing industry, you guys
7 are going to have to be more proactive, I
8 believe, in working with local government to
9 make sure they understand your project, the
10 benefits of your project, and the benefits of
11 this program. I'll get off my soap box for
12 now.

13 All right. We have a motion. We have a
14 second. Any other comments?

15 I hear none. All in favor, say aye.

16 ALL:

17 Aye.

18 CHAIRMAN JONES:

19 Any opposition?

20 There is none, the motion carries.

21 Thank you, sir.

22 MR. USIE:

23 Next, we have Noncompliant Contracts
24 following the Post-Executive Order 2017 Rules.

25 CHAIRMAN JONES:

1 Just one second. Let me get my paperwork
2 in front of me. All right.

3 MR. USIE:

4 The first contract, we have one contract
5 number 20170323 for AIT Machine, LLC in
6 Terrebonne Parish that is noncompliant for the
7 2021 reporting period. The Exhibit A for the
8 contract requires the company create and
9 maintain two jobs with \$100,000 in payroll.
10 The company created zero jobs and zero payroll
11 for the reporting period. The Parish did not
12 respond with a recommendation. The School
13 Board submitted a resolution recommending the
14 contract be honored by the State agencies
15 without penalty. And the Sheriff submitted a
16 letter stating while they understand the
17 difficulties of many companies during COVID
18 periods, it is important for continued
19 contractual compliance as exemptions of ad
20 valorem taxes are provided to the awarded
21 companies; I request a deferral to the Board
22 for the noncompliance of AIT Machine, but
23 stress concerns regarding the noncompliance of
24 AIT Machine during their contractual period.

25 CHAIRMAN JONES:

1 Okay. A lot to unpack there. So let me
2 walk through this a little bit again for our
3 newer Members of the Board. This is something
4 that's relatively new to the Board of
5 basically matters of compliance coming before
6 us. And what our process is that when the
7 companies have to basically file compliance
8 reports on an annual basis with LED, and the
9 questions are did you meet your job
10 requirements, did you meet your payroll
11 requirements, have you met all the different
12 requirements that are there under the program?
13 And when there are shortfalls, like for
14 example, let's just use AIT Machine as an
15 example, you'll see that they have a job
16 creation retention requirement of two jobs at
17 salaries of \$100,000 or payroll of \$100,000
18 but they only -- they did not create any jobs.
19 They did not have any increased salaries, so
20 they are now before us for noncompliance for
21 that reason.

22 Another reason the company may be
23 noncompliance, they filed their compliance
24 report late. So you have what I'll call more
25 substantive issues of noncompliance; that is,

1 you didn't create the jobs, you didn't create
2 the payroll or the more procedural compliance
3 issue is that you filed late. What happens is
4 these issues go to the local entities where
5 the contracts are in place -- excuse me, where
6 the project is in place and ask them to make
7 recommendations and you'll see that is the
8 key. For an example again with AIT Machine,
9 the Police Jury, they did not respond to our
10 request for recommendation. The School Board
11 did respond and said take no action; in other
12 words, we don't want you to penalize for the
13 noncompliance. The Sheriff in his letter
14 said, we don't like the compliance, but we
15 defer to y'all. And the municipality was not
16 applicable because the municipality -- excuse
17 me, because the project did not exist inside
18 the municipality; therefore, it did not have
19 an opportunity to respond.

20 So while the recommendations from the
21 local government are instructive, they are not
22 controlling. The action on compliance is
23 still up to this Board. So with that, do we
24 have anybody here from AIT Machine?

25 Thank you, sir. If you could state your

1 name and your position with the company,
2 please.

3 MR. RODRIGUE:

4 My name is Michael Rodrigue, I am the
5 owner and Ops Manager.

6 CHAIRMAN JONES:

7 Tell me what does AIT manufacture.

8 MR. RODRIGUE:

9 We manufacture mostly oil and gas parts
10 for various customers. We don't do any of our
11 own engineering. We don't have our own
12 product line, so we are basically a general
13 machine shop.

14 CHAIRMAN JONES:

15 Got it. And how many total employees do
16 you have?

17 MR. RODRIGUE:

18 As of today, we are at 19.

19 CHAIRMAN JONES:

20 Okay. And how long you been in business?

21 MR. RODRIGUE:

22 Since 2012. We were under a different
23 name. Y'all would find us in the program
24 under Premier Machine Works prior to 2017. In
25 2017, we purchased AIT Machine, one of our

1 competitors. They were based out of
2 Broussard. We've been in Terrebonne Parish
3 since 2012.

4 CHAIRMAN JONES:

5 Okay. So when you entered into this
6 contract, obviously, there was some sort of
7 expansion that had been done or some increase
8 in equipment?

9 MR. RODRIGUE:

10 Yes, sir. Yeah, when we purchased AIT at
11 the end of 2017, we basically doubled our
12 payroll. We went from 10 employees to 22.

13 CHAIRMAN JONES:

14 Okay.

15 MR. RODRIGUE:

16 Between both locations.

17 CHAIRMAN JONES:

18 Okay. But this contract had an
19 investment of \$319,000. What were you adding
20 to the --

21 MR. RODRIGUE:

22 That was one lathe, one piece of
23 equipment.

24 CHAIRMAN JONES:

25 Okay. And you anticipated hiring two

1 people with a total payroll of \$100,000.

2 MR. RODRIGUE:

3 Correct. At the time, we were running 24
4 hours, six days a week. It was heavy
5 workload. Since that time, we still have one
6 person on that machine full time, but only a
7 dayshift. We have hired additional people,
8 but when the -- at the point of this contract,
9 our baseline payroll we dropped down below
10 that in that following year and downturn. And
11 we've hired additional people since, but we've
12 never made up above the baseline for them to
13 take credit towards us.

14 CHAIRMAN JONES:

15 Okay. So, essentially, this is from your
16 perspective an outcome of the downturn in oil
17 and gas industry.

18 MR. RODRIGUE:

19 Yes, sir. And some of the personnel, we
20 lost. Like, at that time, we had three shop
21 helpers. So, you know, it's not a high paying
22 job, but they count it toward our baseline.
23 So we replaced those helpers and we replaced
24 them with higher pay and advanced
25 knowledgeable jobs, you know, qualified

1 machinists that their salaries are triple what
2 a helper would make. So the salaries have
3 increased per person, but we still never got
4 above the baseline for them to take any
5 credit.

6 CHAIRMAN JONES:

7 So I know this is for the year 2021. How
8 is 2022 looking for you?

9 MR. RODRIGUE:

10 2022 has been, revenue wise has been a
11 great year. Work wise has been a great year.
12 The workload is there. It's finding people.
13 We have been on Indeed. We've been on every
14 one of the social medias, LinkedIn, and all
15 the others. We've hired, for lack of a better
16 term, headhunters and we have not been able to
17 find but one qualified machinist in 12 months
18 in both locations to come to work. At this
19 point in time, you basically have to steal
20 them from another shop. And in order to take
21 them from another shop, you have to increase
22 their payroll significantly.

23 CHAIRMAN JONES:

24 Yeah.

25 MR. RODRIGUE:

1 And at the end of the day, it just eats
2 away from your bottom line. So we've managed
3 to maintain the personnel that we have and
4 keep the workload to keep them busy.

5 CHAIRMAN JONES:

6 Okay. All right. Now, the School Board
7 has recommended to take no further action, and
8 the Police Jury has not responded, and the
9 Sheriff is deferring to the Board. So I
10 would -- do we have a motion to penalize or
11 not penalize, take no action, or we can
12 penalize for the noncompliance? What is the
13 pleasure of the Board? We have complete
14 discretion here folks.

15 Mr. McInnis?

16 MR. MCINNIS:

17 I would move to take no action.

18 CHAIRMAN JONES:

19 We have a motion to take no action. We
20 have a second from Mr. Nassar. Do we have any
21 questions or comments from the Board?

22 Any comments from the public?

23 The motion is to take no action. All in
24 favor, say aye.

25 ALL:

1 Aye.

2 CHAIRMAN JONES:

3 Any opposition?

4 There being none, the motion carries.

5 Thank y'all.

6 MR. RODRIGUE:

7 Thank you very much.

8 CHAIRMAN JONES:

9 Good luck in finding some employees out
10 there.

11 MR. RODRIGUE:

12 We need it.

13 CHAIRMAN JONES:

14 Yes, sir. All right. Next?

15 MS. CHENG:

16 We have one contract, 20180081 for Mele
17 Printing, Inc. in St. Tammany Parish. They're
18 noncompliant for the 2019 reporting period and
19 the 2020 reporting period. They were required
20 to create and maintain five jobs with \$150,000
21 in payroll. In 2019, they created five and
22 176 in payroll. And in 2020, they created
23 five with \$181,000 in payroll. This contract
24 is noncompliant for these two reporting
25 periods due to late filing.

1 CHAIRMAN JONES:

2 Anyone here from Mele Printing? Yes,
3 sir, if you'd state your name and your
4 position with the company, please.

5 MR. MELE:

6 Yes, sir. Hi, my name is Mallery Mele,
7 I'm the owner and CEO of Mele Printing in
8 Covington.

9 CHAIRMAN JONES:

10 Great. And the only issue we have here,
11 obviously, you've created the jobs, you've
12 created the payroll. We just have, again, the
13 procedural late filing. What was the reason
14 for the late filing?

15 MR. MELE:

16 It's really a misunderstanding between us
17 and our consultant, who we've been using. We
18 thought he was taking care of the paperwork.
19 In reality, he thought we were taking care of
20 the paperwork. And once we realized what was
21 going on, we rectified it, but the timing had
22 lapsed during that time. So we certainly
23 apologize for that. We've been in the program
24 a while. It's just something that happened.

25 MS. CHENG:

1 I do want to note that they are compliant
2 for the 2021 project year. It was filed on
3 time, and they were still compliant with the
4 jobs and payroll.

5 CHAIRMAN JONES:

6 Okay. But this is just '19 and '20?

7 MS. CHENG:

8 Yes, sir.

9 CHAIRMAN JONES:

10 '21, apparently, y'all got that worked
11 out.

12 MR. MELE:

13 Yes, sir. One of the last thing, we're
14 one of the original ITEP people in St.
15 Tammany. We went through that process six
16 months of meeting with all the local entities,
17 educating them on the process, so it's
18 definitely something to do. But, today, it's
19 a much better process decision.

20 CHAIRMAN JONES:

21 Good. Thank you. Thank you for that.

22 All right.

23 MS. CHENG:

24 The Parish School Board and Sheriff
25 deferred to the Board, and the City provided

1 no response.

2 CHAIRMAN JONES:

3 Okay. All right. Do we have a motion?

4 Yes, sir?

5 MR. SIMIEN:

6 I move to take no action.

7 CHAIRMAN JONES:

8 We have a motion to take no action. We
9 have a second from Mayor Toups. Any comments
10 or questions from the Board?

11 Any comments from the public?

12 Hearing none, all in favor, say aye.

13 ALL:

14 Aye.

15 CHAIRMAN JONES:

16 Any opposition?

17 There being none, the motion carries.

18 Thank you, Mr. Mele. Appreciate your work,
19 sir. We're getting close, folks. Hang in
20 there.

21 MR. USIE:

22 Next, we have the Noncompliance Contracts
23 following the 2018 Post-EO Rules.

24 CHAIRMAN JONES:

25 Okay.

1 MR. USIE:

2 We have one contract, Number 20190070 for
3 A.W. Chesterton Company and one contract
4 20190029 for J&R Juneau, LLC that are
5 noncompliant for the 2021 reporting period.
6 J&R Juneau is the owner of the building and is
7 leasing it to A.W. Chesterton. The contracts
8 cover one project at the same site and they
9 share an Exhibit A agreement outlining the
10 required annual jobs and payroll to be created
11 and maintained by A.W. Chesterton.

12 CHAIRMAN JONES:

13 Uh-huh.

14 MR. USIE:

15 Eight new jobs and \$520,000 in payroll
16 was required to be created and maintained for
17 this period. The actual jobs and payroll
18 created was one job with \$10,057 in payroll.
19 The Parish and the School Board each submitted
20 resolutions recommending the Board impose a
21 one-year penalty on both contracts, and the
22 Sheriff and the City did not respond with any
23 recommendations.

24 CHAIRMAN JONES:

25 Do we have anyone here from A.W.

1 Chesterton? No one?

2 All right. Folks, we have the Police
3 Jury and the School Board recommending a
4 one-year penalty.

5 MR. MOSS:

6 I'll take that motion.

7 CHAIRMAN JONES:

8 Mr. Moss, we have a motion for a one-year
9 penalty; second from Ms. McQuain. Any
10 questions or comments from the Board?

11 Hearing none, any comments from the
12 public?

13 Hearing none, all in favor, say aye.

14 ALL:

15 Aye.

16 CHAIRMAN JONES:

17 Any opposition?

18 MR. USIE:

19 Can we get one clarification? So is the
20 penalty on the initial contract term or on the
21 renewal term?

22 CHAIRMAN JONES:

23 Well, that's a very, very good question.
24 In the past, we have done it -- they are in
25 their initial term, correct?

1 MR. USIE:

2 Correct. In the past, y'all have done it
3 on the renewal term. If the company renews,
4 it would be a one-year penalty on the renewal.

5 CHAIRMAN JONES:

6 Well, that is an option that we've
7 exercised in the past, but we haven't done
8 that on everyone; have we?

9 MR. USIE:

10 No, uh-uh.

11 CHAIRMAN JONES:

12 All right. So right now, what year are
13 they in their contract? One, two, three, four
14 or five?

15 MR. USIE:

16 They are in year three right now.

17 CHAIRMAN JONES:

18 My recommendation, unless you have a --
19 in the initial -- it's applicable to the
20 initial term.

21 MR. USIE:

22 Yes.

23 CHAIRMAN JONES:

24 Okay. Because there may not be a
25 renewal. All right. We have a motion to

1 apply a one-year penalty in the initial term
2 with a second. All in favor, say aye.

3 ALL:

4 Aye.

5 CHAIRMAN JONES:

6 Any opposition?

7 There being none, the motion carries.

8 MR. USIE:

9 Next, we have two contracts 20180149 and
10 20180149-A for Diversified Foods and
11 Seasonings in St. Tammany Parish that are
12 noncompliant for the 2019 and 2020 reporting
13 periods. The Exhibit A for both contracts
14 requires the company create and maintain 44
15 jobs with \$1,245,200 in payroll for the 2019
16 and 2020 reporting periods. The actual jobs
17 created for 2019 was 41 jobs with \$1,120,357
18 in payroll and the actual jobs created for
19 2020 was 21 jobs with \$414,345 in payroll.
20 All three locals, the Parish Council, the
21 School Board, and the Sheriff all responded
22 with recommendations stating to defer to the
23 Board. And as a note, the Board deferred this
24 item at the August meeting due to no company
25 representative present to answer about the

1 2019 reporting period.

2 CHAIRMAN JONES:

3 Okay. Please come forward.

4 MR. SMITH:

5 All right. Good morning.

6 CHAIRMAN JONES:

7 Good morning. Please state your name and
8 position with the company.

9 MR. SMITH:

10 Peter Smith, President, Chief Executive
11 Officer for Diversified Foods and Seasonings.

12 CHAIRMAN JONES:

13 Okay. Tell us what's going on here.

14 MR. SMITH:

15 In reference to pre-pandemic, post
16 pandemic?

17 CHAIRMAN JONES:

18 Whatever you see fit. I think I see how
19 this is unfolding.

20 MR. SMITH:

21 Okay. I won't bore you with
22 post-pandemic unless I can just provide one
23 key metric post-pandemic is that we are,
24 unfortunately, because of what has transpired
25 with the, you know, various government

1 incentives and it's created the biggest labor
2 mass that I have seen in my entire career, we
3 are having to spend in excess of a million
4 dollars a year for outside contract labor to
5 keep our plants running. So that's the
6 challenge. In terms of the 2019, which I
7 believe the question the Board had is the
8 background is that this was the first ITEP
9 that went through St. Tammany Parish. And at
10 that point, I was making the decision whether
11 to close our plant in Nebraska or close our
12 plant in Madisonville. And due to the various
13 programs, ITEP, et cetera, I made the decision
14 to close the plant in Nebraska and committed
15 to that there will be 44 new jobs. And we
16 created the 44 new jobs. But, apparently, in
17 2019, we fell three short.

18 The new jobs was at 41. Payroll, I
19 think, missed by 27,000. And, basically, the
20 quick explanation is, unfortunately, with
21 labor and salary and wages, it's not a linear
22 process. There are ebbs and flows. And the
23 average manufacturing company has 10 percent
24 turnover, and ours will vary between 3 percent
25 in a given month and 16 percent.

1 Unfortunately, in 2019, we had a peak in
2 October and November. And our turnover
3 reached an average of 14 percent. So in
4 addition, we had a sizable financial loss when
5 we integrated Nebraska into Madisonville. And
6 on that same timing, I had to terminate a
7 number of key executives, chief operating
8 officer, vice president of engineering, et
9 cetera. So I contributed to the process.

10 As you know, it is exceedingly difficult
11 to replenish labor and hire people during the
12 holidays, Thanksgivings, Christmas, et cetera.

13 So I believe we had turnover of approximately
14 11 individuals or so. After the holidays, we
15 replaced them. So I believe we were back in
16 compliance. And then, unfortunately, we ran
17 into an absolute buzz saw with the pandemic.

18 And it has been a challenge, because
19 since the pandemic and this first ITEP, we
20 invested \$12 million to expand the plant,
21 during the pandemic, I continued to invest to
22 the tune of \$30 million that we are doubling
23 our capacity in Madisonville, which obviously
24 has created hundreds of construction and
25 position jobs for the future. So we are very

1 excited.

2 And you mentioned the local government, I
3 think that we have extremely strong support
4 from the government, whether it is Mike Cooper
5 or Frank Jabbia with the School Board. In
6 fact, this was their first ITEP. So I was
7 before the School Board on three separate
8 occasions. So I think I was probably their
9 favorite CEO in the Parish.

10 So but we would appreciate your support.
11 We're going to continue to expand. And we are
12 obviously the largest food manufacturer in the
13 Parish and one of the largest food
14 manufacturers in the State and that is the top
15 line overview.

16 CHAIRMAN JONES:

17 Pardon my ignorance, but what food do you
18 manufacture?

19 MR. SMITH:

20 All right. Diversified Foods and
21 Seasonings, we manufacture batters, breadings,
22 in fact, Lamb Weston is one of our customers,
23 spice blends and also cooked sides. So many
24 of you have eaten our products. We are the
25 largest supplier to Popeyes Louisiana Kitchen.

1 We supply products to 30 companies around the
2 globe. We're also a major supplier to
3 Outback, Chili's, Denny's, et cetera. So very
4 excited and we also are very proud of the job
5 that we did during the pandemic. I won't bore
6 you, but I do have a couple of letters from
7 Mike Cooper, our Parish President and also
8 Steve Massengill, who is the CEO of St.
9 Tammany Corporation. And they called out and
10 thanked us specifically for the leadership
11 that we had in terms of maintaining our
12 payroll, maintaining our cap X in our
13 expansion despite the challenges.

14 And I think also, and I won't bore you,
15 but as you said, the Parish voted to defer
16 judgment despite the support. But I think the
17 best comment was from my friend Randy Smith,
18 who is our Sheriff, and he said verbatim, we
19 share a lenient mindset towards the challenges
20 of meeting employment benchmarks due to the
21 widespread and deleterious effects of the
22 pandemic. And, personally, I can't say it any
23 better than that. And so we and then we've
24 got similar comments and letters from both
25 Mike as well.

1 And then the last thing, because of our
2 continued expansion and being a vital part of
3 the Parish, our Representative Steve Scalise
4 just visited, had lunch with me last month and
5 toured our plant so that he could see the
6 expansion up close and personal.

7 CHAIRMAN JONES:

8 Okay. So be sure I understand, basically
9 2019, you were going through the closing down
10 of the plant in Nebraska and moving operations
11 to St. Tammany Parish?

12 MR. SMITH:

13 Correct.

14 CHAIRMAN JONES:

15 And you simply failed to meet both the
16 payroll and the jobs numbers?

17 MR. SMITH:

18 Yeah.

19 CHAIRMAN JONES:

20 And then in 2020, it is essentially a
21 story of COVID; is that fair?

22 MR. SMITH:

23 Yeah. 2020, just to give you the key
24 metric, because obviously, you know, with our
25 expansion right now, I mean we have our

1 strategies on preparing the company for the
2 next decade to continue to support Popeyes.
3 So we, obviously, cannot be downsizing,
4 furloughing, cutting wages, et cetera. That's
5 the last thing that we need.

6 So the issue is, in this environment, it
7 has been absolutely impossible to attract
8 staff and hire individuals, especially hourly,
9 which the majority are hourly because,
10 unfortunately, as you talk about unintended
11 consequences, one of the unintended
12 consequences of the stimulus checks was that
13 for many of employees, they can make more
14 money sitting at home than working at
15 Diversified. And so the key metric right now
16 is that in 2022, we are going to spend in
17 excess of \$1 million for outside contract
18 labor and overtime in order to keep the plant
19 running. So but --

20 CHAIRMAN JONES:

21 All right. Let me stop you because I
22 have some specific questions.

23 MR. SMITH:

24 Yes, sir.

25 CHAIRMAN JONES:

1 And there's some information I'm
2 interested in. Tell me what 2021 and 2022
3 look like as far as the jobs and payroll are
4 looking like.

5 MR. SMITH:

6 They are going to look very similar.

7 CHAIRMAN JONES:

8 Similar to '20 or similar to '19?

9 MR. SMITH:

10 It's going to be similar to '20, because
11 what has happened, the key metric is that the
12 \$1 million for outside contract labor at a
13 base salary and rate is that equates to over
14 20 FTEs or full-time equivalence. So I'm good
15 -- we are maintaining, you know, 20 heads
16 short that we cannot fill. So we're having to
17 rely on outside contractors.

18 CHAIRMAN JONES:

19 Even the outside contractors do not meet
20 your goal.

21 MR. SMITH:

22 No.

23 CHAIRMAN JONES:

24 Even with the outside contractors, you
25 don't meet your goal?

1 MR. SMITH:

2 No, that's the problem. I'm having to --
3 we are in noncompliance because of that, and
4 I'm still spending the million dollars to keep
5 the plant running.

6 CHAIRMAN JONES:

7 Right. Okay. And just as -- and in your
8 packet of information, Board Members, a lot of
9 times, I know you get a lot of paper in
10 preparation for this meeting, but it's noted
11 that St. Tammany Parish deferred to the Board,
12 which and Mayor Toups and Mr. McInnis can tell
13 the folks at the Police Jury Association, LMA,
14 I really hate that. I would prefer -- it's
15 kind of like Jesus said, either be hot or
16 cold, just, you know, tell me if you like it
17 or you don't like it; but, otherwise, I kind
18 of want to just spew you out of my mouth.
19 Because, frankly, from one Board Member's
20 perspective, when I say defer to the Board,
21 that means no penalty, because if it doesn't
22 matter to local government, then apparently
23 whatever we do is fine. But notice that the
24 Parish Council basically just deferred. The
25 School Board's letter basically says we defer,

1 but then the second sentence says the School
2 Board does not wish to take any direct action
3 against the company.

4 MR. SMITH:

5 Yeah, that would be Frank.

6 CHAIRMAN JONES:

7 I think I know what that means. I kind
8 of wish they'd just said it. As he said, the
9 Sheriff's Department said, we share a lenient
10 mindset towards the challenges meeting the
11 benchmarks due to the widespread. So it
12 sounds like they're telling us to be lenient,
13 but I'm not sure that's what they're saying.

14 So, guys, I just -- that's where we are.
15 We're getting very little direct direction
16 from local government. You've heard his
17 story, so what is the pleasure of the Board?

18 We have a motion from Mr. Havard, take no
19 further action. We have a second from Mayor
20 Toups. Any comments or questions from the
21 Board?

22 Hearing none, any comments from the
23 public?

24 Hearing none, all in favor, say aye.

25 ALL:

1 Aye.

2 CHAIRMAN JONES:

3 Any opposed?

4 There being none, the motion carries.

5 All right. Thank you for your investment in
6 the State.

7 MR. SMITH:

8 Yeah, we'll continue that. If I may,
9 just a quick question, since we're talking
10 about noncompliance, in terms of discretionary
11 performance based grants, which we have
12 received one from LAD, is that under the
13 purview of this board or --

14 CHAIRMAN JONES:

15 No.

16 MR. SMITH:

17 Okay.

18 CHAIRMAN JONES:

19 No, we don't have a dog in that fight.

20 MR. SMITH:

21 All right.

22 CHAIRMAN JONES:

23 Thank you very much.

24 MR. SMITH:

25 Thank you.

1 CHAIRMAN JONES:

2 Best of luck.

3 MR. SMITH:

4 All right. Thank you for your support.

5 CHAIRMAN JONES:

6 Next?

7 MR. USIE:

8 Next, we have one contract, Number
9 20190412 for Howell Foundry, LLC in West
10 Feliciana Parish that is noncompliant for the
11 2021 reporting period. The Exhibit A for the
12 contract requires the company create and
13 maintain two jobs with \$72,000 in payroll.
14 The actual jobs and payroll created was zero.
15 The Parish, the School Board, nor the Sheriff
16 responded with a recommendation.

17 CHAIRMAN JONES:

18 Mr. Havard?

19 MR. HAVARD:

20 We are all in support. We have a blanket
21 resolution in West Feliciana to support the
22 ITEP and the program. Similar situation,
23 they've been in the Post-COVID world that we
24 all live in now. But in the recent future,
25 they have hired some people, made some pretty

1 substantial investments into it. And at this
2 time, I would recommend taking no action.

3 CHAIRMAN JONES:

4 Do we have anybody here from Howell
5 Foundry? Please come forward. Please state
6 your name and your position with the company,
7 please.

8 MR. SHOAF:

9 Good morning. I'm J.B. Shoaf, I'm the
10 President of Howell Foundry.

11 CHAIRMAN JONES:

12 And tell me what you make.

13 MR. SHOAF:

14 We are a steel foundry, all 3D digital
15 steel foundry. We replicate pumps,
16 propellers, and casings for primarily the
17 chemical industry production. When they can't
18 find a replacement part, they come to us to
19 replicate it to get it faster. If they can't
20 find the tool or if it's in the past been made
21 overseas and they need it faster or a higher
22 quality, they come to us.

23 CHAIRMAN JONES:

24 How many total employees do you have?

25 MR. SHOAF:

1 Currently, we're at 25.

2 CHAIRMAN JONES:

3 All right.

4 MR. SHOAF:

5 And I think at the time of the contract,
6 our commitment was from 12 to 14, so we've
7 made significant an increase.

8 CHAIRMAN JONES:

9 Okay. Obviously, the Parish President
10 already come to your aid.

11 MR. SHOAF:

12 Thank you.

13 CHAIRMAN JONES:

14 But I do want to hear from the companies,
15 and I want to hear -- tell me what's going on
16 as far as the failing to meet the deadline in
17 2021.

18 MR. SHOAF:

19 Well, when we originally entered into
20 this contract, the plan was to relocate the
21 facility to some land that was owned by the
22 Parish that they wanted to develop into an
23 investor park. When COVID hit, I mean,
24 obviously, everything stopped. They ran out
25 of money. They didn't have the money to

1 invest. We had to invest, but we didn't have
2 a whole lot of work in the backlogs, so we
3 didn't hire. We took that opportunity to do
4 the expansion ourselves. And that involved a
5 large piece of equipment that we needed to
6 purchase and a place to put it.

7 So when we -- when the COVID hit, we used
8 the existing workforce to add this facility
9 for this piece of equipment. And as soon as
10 that piece of equipment came online, then the
11 job was to get people in place. And it was
12 not for a lack of effort. We had a lot of
13 turnover like you've heard sob stories before
14 today. And we've made it to where we need to
15 be, but it's taken a whole lot longer than
16 that contract allowed. So it is what it is.

17 CHAIRMAN JONES:

18 So I understand, Mr. Havard, the local
19 entities support taking no further action?

20 MR. HAVARD:

21 That is correct.

22 CHAIRMAN JONES:

23 Okay. So I have a motion from Mr. Havard
24 for take no further action. Do I have a
25 second? I have a second from Mr. McInnis.

1 Any questions or comments from the Board?

2 Hearing none, any comments from the
3 public?

4 Hearing none, all in favor, say aye.

5 ALL:

6 Aye.

7 CHAIRMAN JONES:

8 Any opposition?

9 There is none, the motion carries. Thank
10 you and good luck.

11 Next?

12 MR. USIE:

13 Next, we have one contract, Number
14 20180099 for Inferno Manufacturing in Caddo
15 Parish. They're noncompliant for the 2021
16 reporting period. The Exhibit A for the
17 contract requires the company create and
18 maintain two jobs with \$100,000 in payroll.
19 The actual jobs and payroll created was zero.
20 The Parish submitted a letter with the
21 recommendation to defer any decision or
22 actions regarding this matter to the Louisiana
23 Board of Commerce and Industry with
24 consideration that the Parish of Caddo fully
25 endorses Inferno's participation in the

1 program. And the School Board and Sheriff did
2 not respond with recommendations.

3 CHAIRMAN JONES:

4 Okay. We have someone here from Inferno?
5 Please state your name and position with the
6 company.

7 MR. ORGANICK:

8 My name is Allen Organick, I'm the owner.

9 CHAIRMAN JONES:

10 Thank you, Allen. And tell us what's
11 happened here.

12 MR. ORGANICK:

13 We had rosy-colored glasses on when we
14 signed the contract and we thought we were in
15 a -- trend was up strongly. And this was the
16 third project in three years where the trend
17 had been up and it was the third project that
18 we did. And we went noncompliant after the --
19 in the second year. We're now in the third
20 year.

21 CHAIRMAN JONES:

22 Right. 2021 is when you were
23 noncompliant; correct? Is this -- yes, this
24 is 2021 -- excuse me, yeah, twenty -- yeah.

25 MR. ORGANICK:

1 We went noncompliant in 2020, but we
2 already addressed that last year.

3 MR. USIE:

4 It was at a previous Board meeting for
5 2020. They're also noncompliant for 2021, and
6 2021 is what's being presented today.

7 CHAIRMAN JONES:

8 Okay. I'm seeing 2021 on the sheet,
9 that's why. Silly me. All right. So this is
10 a situation where we've got the Board --
11 excuse me, the Parish Council has written a
12 letter that says that we've been in contact
13 with officials from Inferno and they've
14 provided satisfactory explanations for their
15 inability to meet jobs and payroll numbers,
16 and we fully endorse Inferno's participation
17 in the program, but they defer to the Board.
18 School Board nor the Sheriff responded at all.

19 So what is the pleasure of the Board this
20 morning?

21 MR. FABRA:

22 Mr. Chair?

23 CHAIRMAN JONES:

24 Yes, sir.

25 MR. FABRA:

1 I'd like to make a recommendation to take
2 no action.

3 CHAIRMAN JONES:

4 We have a motion from Mr. Fabra to take
5 no action. Do we have a second? A second
6 from Ms. McQuain. Any further questions or
7 comments from the Board?

8 MR. BLOCK:

9 I do have one question.

10 CHAIRMAN JONES:

11 Mr. Block?

12 MR. BLOCK:

13 So if you first went noncompliant in
14 2020, the Board took no action at that point
15 in time?

16 MR. USIE:

17 Correct. It was presented at the April
18 27th Board meeting and it was no penalty
19 imposed.

20 MR. BLOCK:

21 Right. So I guess my point, and forgive
22 me, sir, that it's going to sound like I'm
23 making this point in this one particular and
24 I'm not, it's more of a general one, I think,
25 I think we just need to be careful as a Board,

1 and I realize it's easy for me to say this as
2 I will not be participating in these Board
3 meetings going forward, I think we just need
4 to be careful about the precedent that we're
5 setting here with all of these, and that
6 doesn't mean that I don't support this one.
7 I'll vote to approve it, but I think we're
8 going to see more and more of these, and it's
9 particularly concerning that we're seeing
10 repeated years of noncompliance with no real
11 sunny horizon here that all of a sudden labor
12 market is going to be fixed and cured. And so
13 I think we're going to see more and more of
14 these and I think it's going to make it very
15 tough on LED to be able to police these
16 contracts if we're saying, look, it's a type
17 of labor market so these companies cannot come
18 in compliance with their contractual
19 obligations.

20 If that's the will of the Board to go
21 down that road, then that's the message that
22 LED will receive, but that is the road we're
23 going down. And I think it's likely that
24 we're going to see not only the numbers of
25 these increase but the numbers of repeated

1 year after year of noncompliance like this
2 entity that we have in front of us. I mean,
3 so I will ask you one question, is 2022
4 looking any different than 2021?

5 MR. ORGANICK:

6 No, it would still be noncompliant.

7 MR. BLOCK:

8 Yeah, so then you're going to come back
9 for another year in some future meetings again
10 saying you're noncompliant, and so that is
11 just -- and that -- don't hear what I'm saying
12 to be like you're to blame for being
13 noncompliant. Obviously, even the State of
14 Louisiana is having a very difficult time
15 attracting employees. It is a tight labor
16 market across the country, and Louisiana is
17 certainly no exception to that, but we -- that
18 is the precedent that we're setting with these
19 actions. And I think it's just important to
20 point out that we're just going to see more
21 and more of these, and we need to make sure
22 that we're doing this as consistently as we
23 can.

24 CHAIRMAN JONES:

25 Mr. Block, I appreciate your comments,

1 and I too am concerned about the reality that
2 has been hoisted upon the industry and the
3 State of Louisiana and, frankly, for the whole
4 country by what has transpired since 2020.
5 The world changed in 2020, whether we like it
6 or not. It probably began before then, but
7 the world changed in 2020 and continued into
8 2021; all the rules changed. Employment of
9 people have reached into every single
10 industry. And I personally have represented
11 clients where we've also had to go into
12 renegotiation of contracts because standards
13 that were set in 2017, 2018, and 2019 simply
14 could not be reached in the world that we live
15 in 2020, 2021, and even into 2022.

16 And in Louisiana, one of the things that
17 we have seen at this Board is that not only
18 did you have the COVID stuff, but so much of
19 the industries in our State are tied with oil
20 and gas industry, which simultaneously with
21 COVID, saw a downturn. So while I'm concerned
22 about the precedence we're setting, I am
23 reasonably comfortable, as comfortable as you
24 can be in a meeting like we have here, that
25 what we are seeing that when we take no

1 action, I'm reasonably comfortable that the
2 reason we have taken no action is due to
3 circumstances that are literally beyond the
4 control of the companies that have been before
5 us. When we have had -- when we see companies
6 that come before us and there aren't good
7 reasons for it, I see no reason to grant it;
8 but at the same time, again, I'm one vote on
9 the Board, when I see people having as
10 difficult a time hiring people today, last
11 year, and the year before as they've had, it's
12 difficulty to hold them to standards to
13 contracts they signed before anybody ever had
14 heard the word COVID, much less started living
15 through it.

16 So with that, I truly do appreciate what
17 you're saying because I think it is, we have
18 to be aware of it, but I think this Board has
19 been fairly consistent and conscientious about
20 trying to figure out what is the reality
21 behind the noncompliance. We haven't approved
22 every noncompliant. It's not that we've not
23 taken action on every noncompliance. But when
24 there's a good reason for it, we try to be
25 understanding. So that's my impression of

1 what the Board has done.

2 MR. BLOCK:

3 Mr. Chairman, can I just make one
4 additional comment?

5 CHAIRMAN JONES:

6 Sure.

7 MR. BLOCK:

8 Effectively, we are renegotiating these
9 contracts by taking these actions because we
10 are saying that there's going to be no
11 consequence for the failure to meet the
12 contractual standards, but I think maybe the
13 point you made earlier is probably the best
14 one, not that the point that you just made was
15 not a good one.

16 CHAIRMAN JONES:

17 Thank you, sir.

18 MR. BLOCK:

19 But when the Governor took the actions he
20 did in 2016 as it relates to the Executive
21 Order, one of the key driving forces to this
22 is the decisions about local tax dollars
23 should not be made here in Baton Rouge alone.
24 And so the local taxing entities, and we made
25 this point earlier with an earlier vote, they

1 have to have a role in this. And, hopefully,
2 that role is going to continue past 2024. But
3 when we receive a notice that the local entity
4 is not taking a position on this, that's, I
5 agree, Mr. Chairman, that's them using their
6 voice that they are not asking us to oppose or
7 to take any action. And so the Police Jury
8 association, the Sheriff's association, the
9 School Board association, they all need to
10 know that when their members say we're going
11 to defer to the Board, that's essentially
12 saying we're okay with this.

13 CHAIRMAN JONES:

14 Exactly.

15 MR. BLOCK:

16 And if that's going to be the case, then
17 that's the message that they all should know
18 that they're sending.

19 CHAIRMAN JONES:

20 I could not agree with you more. I would
21 much prefer -- I don't like no response, but a
22 deferral to the Board is simply telling me
23 that -- well, I'm going to be a little bit
24 harder than just that we're okay, we don't
25 want to take the political hit for taking the

1 position at the local government level. We
2 want you to take the political hit at the
3 state level. And that, frankly, is
4 inappropriate. But, nevertheless, that's
5 where we are at.

6 But in this situation, again, going back
7 to Inferno, we have a motion to take no
8 further action and I -- I do have a motion,
9 correct?

10 MS. CHENG:

11 Yes.

12 CHAIRMAN JONES:

13 Thank you, Mr. Fabra. I thought I did.
14 I sometimes I get mingled in this mind of
15 mine. We have a motion and a second. Any
16 further comments or questions from the Board?

17 MR. FABRA:

18 Mr. Chairman, I would just like to add,
19 and this would be a question directed to
20 Inferno. What is the existing employees, the
21 number of employees that they employ at that
22 facility?

23 MR. ORGANICK:

24 We have 25. One of them is out of state,
25 so we have 24 right now they are counting.

1 That happens to be the baseline number. We
2 had promised two extra, so we're at 20. We
3 went down and now we're at 24.

4 MR. FABRA:

5 Thank you, sir.

6 CHAIRMAN JONES:

7 Thank you, sir. Any other questions or
8 comments?

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

10 ALL:

11 Aye.

12 CHAIRMAN JONES:

13 Any opposition?

14 There is none, the motion carries.

15 MR. ORGANICK:

16 Thank you.

17 CHAIRMAN JONES:

18 Thank you, sir.

19 Next?

20 MR. USIE:

21 Next, we have one contract, 20170624 for
22 K&B Machine Works, LLC in Terrebonne Parish
23 that is noncompliant for the 2019 and 2020
24 reporting periods. The Exhibit A for the
25 contract requires the company create and

1 maintain 37 jobs with \$2,648,497 in payroll
2 for both 2019 and 2020 reporting periods. The
3 actual jobs created for 2019 was 35 jobs with
4 \$1,445,772 in payroll. This filing is also
5 late. It was due August 23, 2020 and received
6 December 22, 2021. The actual jobs created
7 for 2020 was 23 jobs with \$1,570,733 in
8 payroll.

9 The Parish and the School Board submitted
10 resolutions recommending the contract be
11 honored by the State agencies without penalty.
12 The Sheriff sent a recommendation letter
13 stating, while I understand the difficulties
14 of many companies during COVID period, it is
15 important for the continued contractual
16 compliance as exemptions of ad valorem taxes
17 are provided to the awarded companies. I
18 request deferral to the Board for the
19 noncompliance but stress concern regarding the
20 noncompliance of K&B Machine Works during the
21 contractual period.

22 CHAIRMAN JONES:

23 Okay. Do we have anyone here from -- I'm
24 just sorry I -- whoever writes the Sheriff's
25 letters, I've got to give them credit, K&B

1 Machine Works?

2 MR. HEBERT:

3 Yes, sir. Good morning.

4 CHAIRMAN JONES:

5 Please state your name and position in
6 the company.

7 MR. HEBERT:

8 Scott Hebert, I'm the Risk Manager for
9 K&B Industries.

10 CHAIRMAN JONES:

11 Thank you, sir. I appreciate you being
12 here this morning. Tell me what K&B Machine
13 Works does.

14 MR. HEBERT:

15 We are predominately an oil and gas
16 supplier of machine goods, premium threader.
17 We hold the largest array of threading
18 licenses to thread oil -- gallon oil products
19 for the oil and gas industry. We're also
20 involved in the aerospace industry and the
21 advanced manufacturing, which would be the
22 semi-conductor industry. We're really making
23 a push in that arena.

24 CHAIRMAN JONES:

25 And how many total employees do you have?

1 MR. HEBERT:

2 As of today, we're about 307 at our
3 Rebecca's Pond location.

4 CHAIRMAN JONES:

5 That just gives us some context of what
6 we're dealing with here. It appears as though
7 2019, goal of 37 jobs, you met 35. In 2020,
8 goal of 37, you were 23. Tell us what was
9 happening.

10 MR. HEBERT:

11 Well, what happened at the end of 2019,
12 the oil industry started kind of going down a
13 little bit. And then January of 2020, COVID
14 hit and we were having lots of people fall
15 sick. We were sanitizing our shop about every
16 other month. We were getting sanitization on
17 the shop so that we can keep our people as
18 healthy as possible, but it was a rough time
19 in 2020. We had a hard time meeting our
20 obligations and there's really nothing else I
21 can say about that. I mean we didn't hit our
22 benchmarks and that was the reason.

23 CHAIRMAN JONES:

24 How are we doing in 2021 and 2022?

25 MR. HEBERT:

1 I believe 2021, we're fine. Hud could
2 probably tell us, on 2021, Hud?

3 MR. USIE:

4 I haven't reviewed it yet.

5 MR. HEBERT:

6 Okay. I believe I'm compliant for 2021.
7 Okay. 2022 is going to be very good. Like I
8 said, we're at 307 employees today, and we're
9 hiring people every day.

10 CHAIRMAN JONES:

11 Are you having any of the same
12 difficulties finding people?

13 MR. HEBERT:

14 We're -- people are coming. We're hiring
15 a lot of people. We're not having that
16 problem.

17 CHAIRMAN JONES:

18 You may need to put a seminar on to local
19 chamber of commerces.

20 MR. HEBERT:

21 Well, we could use five axis machinists,
22 you know, five axis, you know, the milling
23 work center, those machines are hard to come
24 by. And we do advertise nationally to get
25 those guys to come in, but and we've been

1 fairly successful. But generally speaking,
2 we've been very fortunate in hiring people.

3 CHAIRMAN JONES:

4 Tell us about the late filing and the
5 reason for the late filing.

6 MR. HEBERT:

7 That was totally my fault. I know the
8 fast lane system, you know, I had had the
9 stuff done, but I thought I submitted it, and
10 I did not. It was sitting on the computer and
11 I did not do it. It was my fault. It was
12 total human error.

13 CHAIRMAN JONES:

14 You didn't send it?

15 MR. HEBERT:

16 And I wasn't made aware. I didn't even
17 realize it until they mentioned it, and I
18 needed to file next year's filing, so that's
19 the reason for it. And I realize how this
20 Board works and I accept -- we accept any
21 penalties that y'all give us. I mean it's --

22 CHAIRMAN JONES:

23 I understand.

24 MR. HEBERT:

25 We're at your mercy basically.

1 CHAIRMAN JONES:

2 We're really tired of being -- all right.
3 Again, no direction from local government.
4 The Sheriff has, he understands and all the
5 rest of whatever he said. But other than
6 that, no real direction. Let's see, I'm -- I
7 say that, I'm sitting here --

8 MR. USIE:

9 The Parish and the School Board --

10 CHAIRMAN JONES:

11 I'm looking at the wrong one, yeah.
12 Forgive me. The School Board and the Parish
13 have both recommended no further action, as
14 the Sheriff that was a little weird in his
15 deferral letter. Okay. Forgive me. I had
16 the wrong one in front of me. Do we have a
17 motion then?

18 MAYOR TOUPS:

19 Motion, no action.

20 CHAIRMAN JONES:

21 Mayor Toups, motion with no penalty;
22 second from Mr. Slone. Any questions or
23 comments from the Board?

24 There being 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 Thank you, sir. Continue your work.

8 MR. HEBERT:

9 Thank you.

10 MR. USIE:

11 Next, we have a second contract for K&B
12 Machine Works, contract 20180498, also located
13 in Terrebonne Parish and it's for the 2020
14 reporting period only. The Exhibit A for this
15 contract requires the company create and
16 maintain 10 jobs with \$700,260 in payroll.
17 The actual jobs in payroll created was zero.
18 The Parish and the School Board submitted
19 resolutions recommending the contract be
20 honored by the State agencies without penalty,
21 and the Sheriff submitted a recommendation
22 stating he understands the difficulties of
23 many companies during COVID. However, he
24 requested a deferral to the Board and stresses
25 concerns regarding the noncompliance during

1 the contractual period.

2 CHAIRMAN JONES:

3 Okay. Without going through all of that
4 again, I would entertain a motion.

5 MAYOR TOUPS:

6 Motion, no penalty.

7 CHAIRMAN JONES:

8 Same motion for no penalty from Mayor
9 Toups; second from Mr. Slone. Any comments or
10 questions from the Board?

11 Hearing none, any comments from the
12 public?

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

14 ALL:

15 Aye.

16 CHAIRMAN JONES:

17 Any opposition?

18 There is none, the motion carries.

19 MR. HEBERT:

20 Thank you very much, sir.

21 MS. CHENG:

22 We have a company from the company to
23 defer the noncompliance for Ohmstede 20180424
24 and it's noncompliance for 2020 and 2021
25 reporting period.

1 CHAIRMAN JONES:

2 So they're requesting deferral?

3 MS. CHENG:

4 The company is requesting deferral.

5 CHAIRMAN JONES:

6 Okay. Ms. Boatner?

7 MS. BOATNER:

8 Yes. Rhonda Boatner, Didier Consultants
9 representing Ohmstede. The company is in the
10 process of a shutdown right now, so they
11 couldn't have a representative come for the
12 company, so they're requesting a deferral to
13 the next meeting. They will be able to attend
14 the December meeting.

15 CHAIRMAN JONES:

16 All right. Thank you. A motion to defer
17 from Mr. Fajardo; a second from Mayor Toups.
18 Any comments or questions from the Board or
19 from the public?

20 Hearing none, all in favor, say aye.

21 ALL:

22 Aye.

23 CHAIRMAN JONES:

24 Any opposed?

25 There is none, the motion carries.

1 MS. BOATNER:

2 Thank you.

3 CHAIRMAN JONES:

4 Thank you.

5 MR. USIE:

6 Next, we have one contract number
7 20180226 for Sterling Sugars, LLC in St. Mary
8 Parish that is noncompliant for the 2020
9 reporting period. The Exhibit A for the
10 contract requires the company create and
11 maintain one job with \$35,000 in payroll. The
12 actual jobs created and maintained was three
13 jobs with \$125,275 in payroll. The company is
14 noncompliant due to a late filing only. The
15 filing was due April 30th of 2021, but not
16 received until July 27th of 2021.

17 The Parish submitted a recommendation
18 stating St. Mary Parish Government considers
19 Sterling Sugars to be in good standing and
20 requests no further action be taken. The
21 School Board submitted a recommendation
22 stating a unanimous decision that St. Mary
23 Parish School Board approved a motion to defer
24 any decision regarding the company's
25 noncompliance to the Louisiana Board of

1 Commerce, and the Sheriff did not respond with
2 a recommendation.

3 CHAIRMAN JONES:

4 Okay. State your name and your position
5 with the company.

6 MR. RANGEL:

7 Good morning. Reuben Rangel, Senior
8 Manager, Advantous Consulting here on behalf
9 of Sterling Sugars, LLC this morning.

10 CHAIRMAN JONES:

11 Okay.

12 MR. RANGEL:

13 Ashley Gary, the CFO, sends her regrets.
14 They're in the middle of cane harvesting right
15 now, so she wasn't able to make it up here
16 this morning. I'm here to answer regarding
17 this site.

18 CHAIRMAN JONES:

19 Okay. All we have, it's a late filing.
20 What was happening and the reason for the late
21 filing?

22 MR. RANGEL:

23 So in our internal tracker for compliance
24 filings, the clock for compliance wasn't set
25 up to start running until the Governor signs a

1 contract. In this case, this happened to be
2 an ITEP where the first year compliance was
3 due prior to the Governor's signature on the
4 contract, and so we just had trouble issuing.
5 But once Hud alerted us to that, we filed in
6 compliance.

7 CHAIRMAN JONES:

8 And so we had compliance before the
9 contract was signed?

10 MR. RANGEL:

11 Yes, the Governor signed the contract on
12 August 2nd. As you can see on the agenda
13 here, we filed the compliance on July 27th.

14 CHAIRMAN JONES:

15 How do we have a compliance without a
16 contract?

17 MR. USIE:

18 There was a contract. The due date
19 starts based off of its, generally speaking,
20 April 30th of each year, unless the contract
21 is executed after the fact, so it's whichever
22 occurs later. And in this instance, it was
23 based off when the contract was sent to the
24 company for execution. That's how it's
25 written in the Exhibit A agreement. So the

1 company had assets placed into service. That
2 application was approved by the Board and that
3 contract was issued. And if that occurs after
4 April 30th of a given year, we go by whichever
5 one of those occurs later.

6 CHAIRMAN JONES:

7 I guess, conceptually, I have a problem
8 with how can you be out of compliance with a
9 contract that hasn't been signed?

10 MR. RANGEL:

11 It's signed by the company.

12 CHAIRMAN JONES:

13 Doesn't mean anything. You don't have an
14 agreement until you have two sides agree. I
15 mean there is -- I mean this isn't y'all. I'm
16 asking my question to the wrong people, I
17 know, but I just -- I don't understand how you
18 could be out of compliance when the contract
19 has not been executed by the State. That's
20 something, Mr. Pierson, we need to take a look
21 at because that, conceptually, makes no sense
22 to me. It's not a contract. So in any event,
23 that's a problem for another day apparently.

24 SECRETARY PIERSON:

25 That sounds very lawyerly. There are

1 staff reporting appropriately to you --

2 CHAIRMAN JONES:

3 I understand.

4 SECRETARY PIERSON:

5 -- on the compliance issue. And then
6 Ms. Porter and I will work to resolve this.

7 CHAIRMAN JONES:

8 Yeah, let's figure it out. There's
9 something not right about that. And it may be
10 my lack of understanding, that's usually the
11 case, but I would like to understand how that
12 works a little bit better. But in any event,
13 I would entertain a motion. We have a motion
14 from Dr. Thompson for no action; a second from
15 Mr. St. Blanc. Any questions or comments from
16 the Board?

17 Any comments from the public?

18 Hearing none, all in favor, say aye.

19 ALL:

20 Aye.

21 CHAIRMAN JONES:

22 Any opposition?

23 There being none, the motion carries.

24 Thank you, sir.

25 MR. RANGEL:

1 Thank you.

2 MR. USIE:

3 Next, we have one contract, 20190204 for
4 ToMakk Glass Partner, LLC in Caddo Parish that
5 is noncompliant for the 2021 reporting period.
6 The Exhibit A for the contract requires the
7 company to create and maintain 50 jobs with
8 \$2,100,000 in payroll. When the compliance
9 was initially determined, the company had not
10 filed any compliance documentation. It was
11 due May 30th of 2022.

12 The Parish submitted a recommendation
13 stating the pandemic had a devastating effect
14 on our local businesses and our local economy
15 and ToMakk suffered as a result. Accordingly,
16 the Parish of Caddo understands ToMakk's
17 explanation and supports their continued
18 participation in the ITEP Program. We would
19 like to defer any decisions or actions
20 regarding this matter to the Louisiana Board
21 of Commerce and Industry with consideration
22 that the Parish of Caddo fully endorses
23 ToMakk's participation in the Program. The
24 School Board, the Sheriff, nor the City have
25 responded with recommendations. And since the

1 noncompliance notices were initially sent out
2 for failing to file, the company has since
3 submitted compliance documentation on
4 October 19th of 2022. And I did review it and
5 the numbers for the reporting period were 28
6 jobs with \$1,346,428 in payroll.

7 CHAIRMAN JONES:

8 Someone here from ToMakk? State your
9 name and your position with the company
10 please.

11 MR. HARGETT:

12 Hello, Mr. Chairman and Board. My name
13 is Clay Hargett, I'm the President and Partner
14 at ToMakk Glass.

15 CHAIRMAN JONES:

16 Okay. And?

17 MR. DIXON:

18 I'm Justyn Dixon, President of North
19 Louisiana Economic Partnership.

20 CHAIRMAN JONES:

21 Okay. Tell us what's going on.

22 MR. HARGETT:

23 Well, I guess I can start with the reason
24 why we were late, and that's because we
25 realized we weren't going to be compliant.

1 We're relatively new to the ITEP process, but
2 we are definitely advocates for the process.
3 To echo what you have said earlier, Mr.
4 Chairman, it's really increased our
5 communication with local government, and we
6 are thankful for that.

7 As soon as we realized that we were not
8 going to be compliant, and I realized it was
9 out of my wheelhouse, I wear many hats at the
10 company like many other business people, I
11 reached out to some other experts and with the
12 North Louisiana Economic Partnership as well
13 as Advantous Consulting here in Baton Rouge to
14 see what kind of a pathway we would have
15 through this. And so I employed their help
16 and we filed late with our numbers in a
17 Post-COVID economic model. And so that's the
18 story as to why we were late and also not
19 compliant.

20 CHAIRMAN JONES:

21 So help me understand. This is -- so the
22 contract, this is a 2019 application, and the
23 contract was signed in, I presume, '20; is
24 that -- do you know?

25 MR. USIE:

1 I don't know when the contract was
2 signed.

3 CHAIRMAN JONES:

4 Okay. All right. But, effectively, was
5 this your first year of operation under the
6 contract, 2021?

7 MR. HARGETT:

8 We operated in 2020 and 2021. We
9 effectively started the company at the tail
10 end of 2019. Our first sale was in 2020 right
11 as COVID was hitting.

12 CHAIRMAN JONES:

13 Okay. And what is it you make?

14 MR. HARGETT:

15 We make fabricated glass for residential
16 and architectural applications like the
17 windows in this room and our model is business
18 to business. So we supply glazing businesses
19 like Capital Glass here in Baton Rouge. They
20 buy our products and sell them to contractors
21 and homeowners and that sort of thing.

22 CHAIRMAN JONES:

23 Okay. All right. And how many total
24 employees do you have?

25 MR. HARGETT:

1 I can estimate 30. Twenty-eight was
2 definitely accurate on our filing. I believe
3 we've hired a few folks since then.

4 CHAIRMAN JONES:

5 Okay. All right. So, essentially, we
6 have a situation where you knew you weren't
7 going to be compliant, and like many people
8 filing their first tax return, what the heck,
9 why file it, huh? I'm going to keep paying,
10 so I won't file it.

11 MR. HARGETT:

12 It was more of as if I realized the level
13 of expertise it would take to navigate these
14 waters of not being compliant were above my
15 pay grade, and I was raised to listen to folks
16 that know a whole lot more about something
17 than I do. I wouldn't have gotten here
18 otherwise. So I hired some experts to help me
19 through this. I believe that I can be a lot
20 more prudent next year or this year in 2022,
21 even if we are noncompliant because I realize
22 there are many businesses in the same boat.

23 CHAIRMAN JONES:

24 Understood. Understood. All right. So
25 your actual numbers then are, and help me,

1 Hud, since they're not on my sheet, give them
2 to me again.

3 MR. USIE:

4 There are 28 jobs with \$1,346,428 in
5 payroll.

6 CHAIRMAN JONES:

7 So your goal is 50 and you say, now,
8 you're at 35 or so?

9 MR. HARGETT:

10 We're at 30.

11 CHAIRMAN JONES:

12 Thirty. Okay. All right. So the --
13 when you -- I know how this process works when
14 you estimate the number. How did you arrive
15 at the 50?

16 MR. HARGETT:

17 Well, we elicited knowledge sharing from
18 some other plants that have been successful
19 outside of our market when we studied the
20 market. So we're in a greenfield startup. We
21 are on year three. And so we looked at the
22 amount of equipment and production lines
23 within our facility, so four production lines
24 and roughly 20 or so pieces of equipment, and
25 we kind of did some back of the envelope math

1 and compared that to some companies that have
2 been very successful in the industry that have
3 shared knowledge with us. And but these were
4 all Pre-COVID economics, of course, and that's
5 how we came up with the number.

6 CHAIRMAN JONES:

7 All right. Is it a number that you think
8 is attainable?

9 MR. HARGETT:

10 I believe it is. As to when, I couldn't
11 tell you. Certainly, we would have a delayed
12 timeline to get there if we can get there.
13 Right now, the model that you see at 28 to 30
14 employees demonstrates our survivability in
15 terms of a level that's sustainable for us
16 considering the current market conditions.
17 We've been surviving on our own cash flow
18 since November of last year, and so we've been
19 able to do that right at around 30 employees.

20 If we see any major changes in supply
21 chain and employable work for us, geopolitical
22 issues that drive fuel prices, anything like
23 that, they could potentially help us to
24 thrive. But right now, we're just in the
25 fight, but we're successful and we've proven

1 that we can be successful where we are at this
2 level.

3 CHAIRMAN JONES:

4 I'm going to back to an earlier
5 conversation, I'm just saying when you file
6 your report for next year for 2022, we're
7 going to be back here again that may be
8 through no fault of your own. But there
9 again, that's what I'm trying to get a feel
10 for how and when you arrived at the 50. The
11 world changed in '20. And, you know, how
12 anybody navigates under the new situation is
13 the rules have changed and we're all having to
14 learn how to live under them.

15 All right. I would entertain a motion.
16 Do we have a motion from the Board?

17 MR. SLONE:

18 Yes.

19 CHAIRMAN JONES:

20 We have a motion to take no further
21 action from Mr. Slone; have a second from
22 Mr. St. Blanc. Any questions or comments from
23 the Board?

24 Any further comments from the public?

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

1 ALL:

2 Aye.

3 CHAIRMAN JONES:

4 Any opposition?

5 The motion carries.

6 MR. HARGETT:

7 Thank you.

8 CHAIRMAN JONES:

9 Good luck to you. Thank you. All right.
10 Ladies and gentlemen, anything else from you
11 guys?

12 MR. USIE:

13 No, that's it.

14 CHAIRMAN JONES:

15 Thank you all. Any other business to
16 come before the Board?

17 Other than that, we have Mr. Pierson to
18 provide us an update on what's going on in his
19 world.

20 SECRETARY PIERSON:

21 I'll make my report brief in order to
22 decrease your exposure time for potential
23 frostbite. Very pleased to report that
24 Lafayette Region with a \$11.5 million
25 expansion by Schlumberger retaining 1,376 jobs

1 and adding an additional 44 jobs over time, as
2 well as the new John Deere Plant in Lafourche
3 Parish giving us a nice win in a rural
4 community in almost \$30 million and 70 new
5 jobs. We continue to work diligently against
6 securing federal dollars with two EDA awards
7 totaling \$3.6 million, and also pleased to see
8 the Delta Regional Authority bring \$4 million
9 over to Louisiana.

10 We continue to work very diligently in
11 preparation for the award by the U.S. Treasury
12 of more than \$74 million, which will be part
13 of the State's Small Business Credit
14 Initiative and you've heard that referred to
15 as SSBCI. That process is being managed by
16 your sister board, the Louisiana Economic
17 Development Corporation that meets here and is
18 working to bring those funds into venture
19 capital, into some low and moderate micro
20 lending programs, and reinforcing the State's
21 Loan Guarantee Program, again providing some
22 tremendous opportunities for small businesses
23 across our state.

24 We're wrapping up in preparation for
25 Veterans Day, November 11th, and we've

1 provided to chambers across the state also
2 some additional information for them to help
3 the promoting opportunities to do business
4 with veteran-owned businesses and things of
5 that nature as we approach the 11th of
6 November. Had the Military Affairs Council
7 for our state meet recently on the 19th of
8 October and give you the status of our
9 military bases and other defense department
10 related activities.

11 We are now also working, Justyn Dixon
12 will be pleased to know, on our Louisiana
13 Competes Regional Economic Development Fund
14 Program, which will deploy about \$8 million
15 for site improvements across the state and
16 we're approaching the Administrative
17 Procedures Act Rules process to help get those
18 funds deployed fairly soon.

19 I'll curtail my remarks, but I would like
20 to suggest to you to stay in touch with LED.
21 We're not allowed to send out spam, and so we
22 can't just adopt wholesale board members and
23 then put you on our mailing list. You have to
24 opt in. And so if you're interested in the
25 LED stakeholder updates, if you're interested

1 in the SSBCI updates, if you're interested in
2 rural revitalization updates, I'd ask you to
3 join Senator Reese and Senator Luneau and
4 others by sending it in to one of our staff
5 members or to myself, and we'll be sure to get
6 you up on this public information, but it's
7 speed to market for you to keep you abreast of
8 things that we're accomplishing at LED and in
9 our State.

10 Subject to any questions you might have,
11 Mr. Chairman, that's my report.

12 CHAIRMAN JONES:

13 Thank you, Mr. Pierson. It's good to see
14 things happening. And, finally, at your place
15 should be a sheet of paper with the scheduled
16 meetings for next year. We encourage you to
17 get that and put it on your calendar so that
18 these meetings take precedence.

19 If there's nothing further I'll entertain
20 a motion to adjourn. We have a motion from
21 Mr. Simien; second Mr. Slone. All in favor
22 say aye.

23 ALL:

24 Aye.

25 CHAIRMAN JONES:

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Happy Thanksgiving. We'll see y'all in
December.

(WHEREUPON, THE MEETING ADJOURNED.)

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 176 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.

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

Signed:

KELLY S. PERRIN,CCR

