

MINUTES OF THE MEETING OF THE  
CADDO PARISH COMMISSION'S  
ECONOMIC DEVELOPMENT COMMITTEE  
HELD ON THE 1st DAY OF APRIL, 2019

The Caddo Parish Economic Development Committee met in the Administration Conference Room on the above date at 1:00 p.m., with Mr. Lynn D. Cawthorne, presiding, and the following members in attendance: Commissioners Atkins, Cawthorne, Gage-Watts, and Smith (4). ABSENT: Commissioners Louis Johnson and Lyndon B. Johnson (2).

Also in attendance were Parish Administrator Dr. Woody Wilson, Assistant Parish Administrator Randy Lucky, Parish Attorney Donna Frazier, Finance Director Erica Bryant, and Commissioners Chavez, Jackson, and Middleton.

Mr. Atkins gave the invocation and Mrs. Gage-Watts led the Committee in the Pledge of Allegiance.

Mr. Lynn D. Cawthorne opened up the floor for citizens comments. There being no one to speak, Mr. Cawthorne closed public comments and moved onto New Business.

Mr. Cawthorne welcomed everyone to the meeting and stated today's meeting is to discuss the following items:

- Opportunity Zones Presentation
  - Discuss Southern University, Workforce Development Project  
Janice Sneed and Darrin Dixon
  - Discuss Resolution to establish a subcommittee for Downtown and Cross Bayou Development
  - Discuss Taco Wars funding
  - Discuss ordinance amendment to Advance Caddo Small & Emerging Business Program "Mentor-Protégé Initiative"
- Mr. Cawthorne moved onto the first New Business item, *Opportunity Zones Presentation*.

Mr. Hardy Foreman and Joe Kane, Carr, Riggs & Ingram, conducted a presentation regarding opportunity zones. He provided the Commissioners with a handout regarding opportunity zones. An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service. They are an economic development tool designed to spur economic development and job creation in distressed communities. Louisiana has 149 Opportunity Zones; Caddo Parish has 6.

Mr. Kane went over a few acronyms. O-Zone is short for Opportunity Zone, which are specially designated low-income census tracts nominated by the governors of each state and certified by U.S. Department of Treasury. O-Fund is short for Qualified Opportunity Fund, which is private sector investment vehicles that invest at least 90% of their capital in Opportunity Zones.

Congress established this in 2017 as part of the Tax Cuts & Jobs Act (TCJA) of 2017. The concept originated by the Economic Innovation Group, a think tank created by Sean Parker (Napster, Facebook). It was originally intended to be introduced during President Obama's final year in office as a standalone bill, with bipartisan support. It became part of the TCJA; was left out in House version, but Sen Scott, Sen. Bill Cassidy, Sen. Rob Portman, and other Senate Finance Committee members engineered its inclusion in final Senate version.

The basic principal is that taxpayers can receive capital gains tax deferral, capital gains tax reduction and additional gain forgiveness for making timely investments of eligible gains in Qualified Opportunity Funds, in which invest through a Qualified Opportunity Fund in Qualified Opportunity Zone Property or businesses located in Opportunity Zones.

In Louisiana, there are one hundred forty nine Opportunity Zones, with seven located in north Louisiana. Mr. Foreman pointed out that the entire downtown Shreveport area is an Opportunity Zone.

Mr. Foreman explained that it works by temporary deferral of taxable income for capital gains reinvested into an O-Zone Fund. It reduces taxable capital gains by 10% for holding the investment for five years, and an additional 5% if held for seven years (total 15%). If they hold the investment for ten years in an O-Zone Fund, and all the appreciation since initial investment is tax-free. Capital gains on an asset realized from the sale to or exchange with an unrelated person. Some examples include stock sale, real estate, asset sale, and mutual fund/ REITS (Capital Gains Portion not dividends).

He then talked about investment timing. An investor invests their capital gain, in cash, into the QOZ Fund within 180 days from the sale or exchange date. The QOZ Fund holds at least 90 percent of its assets in qualified opportunity zone property as measured: on the last day of the first 6-month period of the taxable year of the fund, and on the last day of the taxable year of the fund. Examples of investments in qualified opportunity zone business: QO Zone Stock, QO Zone Partnership Interest, and QO Zone Business Property.

Mr. Foreman also pointed out that investors could stack with other tax programs such as Cost Segregation, Energy Efficiency Studies, Historic Tax Credits—State & Federal, Tax Abatements, Low Income Housing Tax Credits, and New Markets Tax Credits.

A Qualified Opportunity Fund is any investment vehicle organized as a corporation or a partnership for the purpose of investing in Qualified Opportunity Zone Property (QOZP). A fund must hold at least 90% of assets in QOZP, determined by the average of the percentage of QOZP held on: the last day of the first six-month period of the fund's taxable year, and the last of the fund's taxable year. If the Fund fails to meet the 90% investment standard: the fund must pay a penalty for each month it fails to meet the 90% requirement equal to the shortfall multiplied by the underpayment rate (Federal short-term rate plus 3%); and no penalty if it is shown failure is due to reasonable cause.

There are several types of funds, Captive Funds, Self-Certified—Third Party Investor Funds, and Traditional Private Equity or "Blind" Funds. In Captive Funds, active businesses and developments that have generated a capital gain and have the ability to invest the gain into an identified project or business. The Self-Certified—Third Party Investor Funds is similar to the Captive Fund, but formed and capitalized for the purpose of attracting capital to a specific investment opportunity. In Tradition Private Equity or "Blind" Funds, a manager would form and capitalize a qualified fund. A deployment strategy would be communicated with interested investors. The Manager would be responsible for the (i) fund certification, (ii) capitalization, (iii) investment identification, (iv) asset management, (v) tracking reporting & compliance, and (vi) tax planning.

There are different ways to use O-Zones, such as Commercial Real Estate projects within an O-Zone; creating new businesses within an O-Zone; expanding existing businesses into an O-Zone; expanding existing businesses already in an O-Zone; public-private partnership projects; and stacking with other incentives (i.e. Historic Tax Credits, NMTC, LIHTC, etc.).

Dr. Wilson wanted to know if a governmental body could participate in this. Mr. Foreman explained that this is geared towards private sector investors.

Mr. Atkins wanted to know if the Opportunity Fund make a bad business plan into a good one. Mr. Foreman said there is nothing that could overcome a bad business plan. Mr. Atkins reiterated that point and said that this is only beneficial if there is a solid underlying investment.

Mr. Chavez suggested promoting Opportunity Zones to make the landowners, investors, etc. aware of this incentive and hopefully spur economic development in the Parish.

- Mr. Cawthorne then moved onto the next New Business item, *Discuss Taco Wars funding*.

Mr. Greg Kallenberg said that the Tourism Bureau approached him regarding a Hispanic festival. They are collaborating with LSU to put on a Taco Wars Festival, in which twelve local taquerias compete for the Golden Taco. He also mentioned that there will be entertainment for the children, salsa lessons, chips and salsa tasting, a band, etc. They are requesting that the Commission help by providing \$5,000 in funding.

Mr. Atkins asked that an economic impact study be provided to the Committee prior to agreeing on the funding. Mr. Middleton agreed, and he would like to know the number of overnight visitors for this event.

Answering a question from Mr. Cawthorne regarding the date of the event, Mr. Kallenberg said that it is scheduled for Friday, May 3.

It was **moved by Mr. Atkins**, seconded by Mrs. Gage-Watts, *to appropriate \$5,000 to Taco Wars subject to the economic development study. Motion carried*, as shown by the following roll call votes: AYES: Commissioners Atkins, Cawthorne, Gage-Watts, and Smith (4). NAYS: None (0). ABSENT: Commissioners Louis Johnson and Lyndon B. Johnson (2). ABSTAIN: None (0).

- Mr. Cawthorne then moved onto the next New Business item, *Discuss Resolution to establish a subcommittee for Downtown and Cross Bayou Development*.

Mr. Jackson said that Cross Bayou and Downtown is in the Opportunity Zone. He also said that the subcommittee would be a subcommittee of the Economic Development Committee. The members of the subcommittee will consist of the following members: District 3 Commissioner, Commission President or designee, Economic Development Chair or designee, Downtown Development Authority representative, MPC representative, and Parish Administrator or designee. Mr. Jackson also pointed out that the establishment of this subcommittee shall not be construed as endorsing any

developments.

Mr. Atkins stated that he would like time to review this legislation. Mr. Cawthorne putting this on the next Economic Development Committee agenda.

It was **moved by Mrs. Gage-Watts**, seconded by Mr. Cawthorne, *to accept the proposed subcommittee for Cross Bayou Development. Motion carried*, as shown by the following roll call votes: AYES: Commissioners Atkins, Cawthorne, Gage-Watts, and Smith (4). NAYS: None (0). ABSENT: Commissioners Louis Johnson and Lyndon B. Johnson (2). ABSTAIN: None (0).

- Mr. Cawthorne then moved onto the next New Business item, *Discuss Southern—Workforce Development Project, Dr. Ellis, Janice Sneed, and Darrin Dixon.*

The Choice Neighborhoods program leverages significant public and private dollars to support locally driven strategies that address struggling neighborhoods with distressed public or HUD-assisted housing through a comprehensive approach to neighborhood transformation. Local leaders, residents, and stakeholders, such as public housing authorities, cities, schools, police, business owners, nonprofits, and private developers, come together to create and implement a plan that revitalizes distressed HUD housing and addresses the challenges in the surrounding neighborhood. The program helps communities transform neighborhoods by revitalizing severely distressed public and assisted housing and catalyzing critical improvements in the neighborhood, including vacant property, housing, businesses, services, and schools.

Choice Neighborhoods is focused on three core goals:

1. **Housing:** Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;
2. **People:** Improve outcomes of households living in the target housing related to employment and income, health, and children's education; and
3. **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community.

The City of Shreveport and co-applicant, the Housing Authority of the City of Shreveport, were awarded the Choice Planning grant. As a result of their efforts in planning, they were subsequently awarded a \$1,000,000 Choice Neighborhoods Planning/Action Activities grant. As a past Choice Planning Grant recipient, Shreveport was awarded funds for Action Activities that were identified in its Choice Neighborhood Initiative planning process and Transformation Plan. In turn, the City sent a request for proposals to all the entities that were a part of the planning process to submit a plan that could have an immediate, sustained impact. The grant review team selected the Southern University at Shreveport proposal to develop a commercial kitchen for entrepreneurship and incubation, workforce training, and community outreach. The selected project is entitled the Milam Street Kitchen Incubator and Community Kitchen (MSKICK). Please see the attached brochure to learn more about the program goals, objectives and anticipated outcomes. The facility is scheduled to open late spring 2019.

The MSKICK project is the initial demonstration project for a more comprehensive Choice Neighborhood Initiative (CNI). The City of Shreveport and the Housing Authority of the City of Shreveport were awarded a \$24.2 million FY2017 Choice Neighborhoods Implementation Grant for the Allendale, Ledbetter Heights, and West Edge neighborhoods. Once thriving art and music district, the target neighborhoods experienced a sharp population decline in the 1970s. Today, the neighborhoods are challenged with high vacancy rates and limited opportunities for economic advancement. Within the target area was Naomi Jackson Heights, an isolated public housing development that was demolished in 2006. While two phases of the housing replacements have been completed, the Choice Neighborhoods Implementation Grant will allow the City of Shreveport, the Housing Authority of the City of Shreveport, and partners to create additional housing along the downtown's core—drawing new investment westward into the target neighborhoods. Complementary investments will be made through a variety of economic development activities and support to residents in the areas of health, education, and employment. Volunteers of America of North and Central Louisiana is one of the key development partners for the redevelopment. Southern University has been identified to also develop a Food Packaging and Distribution Center as a part of the 24.2 million dollar award.

As Southern University at Shreveport (SUSLA) strives to effectively collaborate with the planning efforts of our city, parish, region, and state, we are proposing an expansion to the current CNI plan, (an economic development district of sorts). The proposed five-year comprehensive plan would include the following programs/facilities.

- Milam Street Kitchen Incubator and Community Kitchen (MSKICK) 1.6 million  
150K shortfall
- Culinary Medicine Center (expansion outside of the MSKICK Facility) 1.2 million  
1.2 million shortfall

- Food Packaging and Distribution Center 1.9 million 1.1 million shortfall
- Workforce Development Center TBD
- Additional Mixed-Income Housing TBD
- Commercial and Retail Space TBD

#### Milam Street Kitchen Incubator & Community Kitchen

The kitchen incubator will be membership-based and will act as the “place of business” for culinary-related microbusinesses (i.e., caterers, food truck owners, future restaurateurs, etc.). It will offer a business curriculum, administrative services, and shared office and kitchen space for members, as well as community education. As proposed, it will include a commercial-grade kitchen, a restaurant/café area that will also double as a training and event space, have an outdoor dining space, a shared commissary for members, individual office space/cubicles for members and administrative offices for incubator staff and instructors. Members and community members will also rent the space for private, and community events.

The Culinary Medicine Center will deliver culinary medicine classes to healthcare professionals and students through workshops and elective academic courses. This service is adopted from the Tulane School of Medicine Teaching Kitchen at the Goldring Center for Culinary Medicine, the first of its kind in America. The Martin Luther King Health Center & Pharmacy will lead efforts to introduce this concept to the Shreveport region through the Milam Street Kitchen Incubator/Community Kitchen. The culinary medicine will offer culinary medicine courses which instruct doctors and health professionals how to educate their patients on preventative medicine and wellness through food. Modules will be taught from the food-first perspective, with an eye toward the practical aspects of what patients face day-to-day when trying to make a substantive change in their lives.

Additionally, the Culinary Medicine Center will provide training to volunteers and students, who will then teach neighborhood residents healthy cooking techniques, general nutrition education, and tips on healthier eating. Students and volunteers will also participate in community events, including health fairs with partnering organizations. During these events, residents can visit nutrition information booths, watch food demonstrations, and receive counseling and health testing like Body Mass Index, blood pressure and blood glucose screenings.

The food packaging and distribution center will give the culinary entrepreneurs in the region the ability to scale their businesses by having access to a facility where products can be produced in bulk, packaged and distributed regionally, nationally, and even internationally. SUSLA will partner with both the Southern University and Louisiana State Extension Services to provide technical assistance with labeling, providing nutritional information, and other necessary information to legally package and distribute food.

Dr. Ellis thanked the Commission for their continued support to Southern University. He also said that one of their newest projects is the Milam Street Kitchen Incubator, which is a commercial kitchen for entrepreneurship and incubation. He said that they have received funding from the City as well as the federal government, but they are continuing to grow and are in need of additional funds. They believe that this incubator could provide more economic development and growth in a distressed area.

Ms. Janice Sneed explained that Southern University partnered with the City of Shreveport about 7 or 8 years ago to create a proposal for the Allendale/Ledbetter Heights community. They were able to craft a plan that speaks to that area. All of the projects that were in the plan were put before a review team, and the Milam Kitchen Incubator was selected because of the impact it could have on that area. They are expecting a building to be turned over to the University in the next few weeks, and a grand opening in May or June. She encouraged all of the Commissioners to attend.

Mr. Darrin Dixon also thanked the Committee for allowing them to come and discuss this project. He said that this project has had widespread support. He also explained that the incubator will allow the students to have a place where they can grow and hopefully become successful in the culinary world. He also explained that there will be a culinary medicine piece to this project. He said that they are partnering with public and private entities to make this project come to fruition.

Ms. Janet Montesane, Executive Director, MLK Health Center, started working with the City of Shreveport and the Medical School to try to bring medicinal culinary to Shreveport when this kitchen was conceived. It would train medical students, healthcare providers, nursing students, etc. to be chefs and healthy eating habits.

Dr. Rinada, Director of Student Education & Development Program, stated that they have a strong interest in the medical culinary program. They went to New Orleans and toured their program. They feel that they could bring that program to Shreveport/Caddo Parish. She also said that their hold up has been a space issue. They currently have 136 medical students per class and would like to see that number increase over the next few years. In order for this to happen, they need a facility to accommodate training these students in a new way to address diseases that are preventative. She also pointed out that Tulane has already developed a full curriculum and will license it to any medical school.

Ms. Sneed stated that the Milam Street Kitchen Incubator project is a \$1.6M project, with the medical culinary program costing an additional \$1.2M because it would need to be in a different facility. They are asking the Caddo Parish Commission for \$500,000.

Mr. Jeff Spikes, architect, also toured the facility in New Orleans to determine what type of facility would be needed here to accommodate the “teaching kitchen”. It would be a 5,000 square foot building with the majority of it being the kitchen demo area and a small classroom.

Answering a question from Mr. Atkins regarding the culinary schools at BPCC and Tech, Ms. Sneed that those schools train chefs. She also explained that the medical culinary program is a workforce training program that would train students to enter into the local culinary field at an above minimum wage rate. She further explained that this would be entry to mid level skills that they would be training.

Mr. Atkins wanted to know why the medical school would not want to keep their program at their school. He also pointed out that they are constructing a new building. Ms. Montesane explained that this has been brought up, but they are limited on the space for the footprint of that building. She further explained that they need a large enough space to accommodate the 136+ students who will be participating in the program. Ms. Sneed pointed out that the original nature of the program is to bring revitalization to a distressed area.

Mr. Chavez wanted to know if this was like JobCorps. Ms. Sneed stated that it does have that JobCorps feel, but they offer their programs to people of all ages. Mr. Chavez explained that he does not want to “reinvent the wheel”. He also said that JobCorps has a culinary program and provides placement to those students, and CoHab has an incubator.

Answering another question from Mr. Chavez regarding tuition, Ms. Sneed stated that they students do not have to pay tuition at this time. Mr. Chavez wanted to know if the businesses would have to pay to occupy a space at the incubator. Mr. Dixon said that CoHab would be an overflow of their program.

Attorney Frazier explained that the Commission cannot contribute to capital projects.

Mr. Cawthorne pointed out that the proposed area sits entirely in an Opportunity Zone. He also said that he would like to continue this discussion at a later time.

There was no further discussion, meeting adjourned.

/s/Todd Hopkins  
Todd A. Hopkins  
Commission Clerk