

MINUTES OF THE MEETING OF THE  
CADDO PARISH COMMISSION'S  
ECONOMIC DEVELOPMENT COMMITTEE  
HELD ON THE 20<sup>th</sup> DAY OF APRIL, 2020

The Caddo Parish Economic Development Committee met in legal session on the above date, at 2:00 p.m., via teleconference, with Mr. John E. Atkins, Chairman, presiding, and the following members in attendance: Commissioners Atkins, Chavez, Epperson, Gage-Watts, and Young (5). ABSENT: None (0).

Also, in attendance were Assistant Administrator Erica Bryant, Parish Attorney Donna Frazier, Finance Director Hayley Barnett, and Commissioner Hopkins.

The invocation was given by Mr. Epperson, and Mr. Young led the Committee in the Pledge of Allegiance.

There were no agenda additions and no public comments.

**CERTIFICATE FOR TELECONFERENCE**

WHEREAS, the Governor of the State of Louisiana has issued Proclamation Number 33 JBE 2020, stating that, due to the current Public Health emergency declared in the Governor's Proclamation Number 25 JBE 2020, and citing the provisions of La. R.S. 29:721, *et seq.*, granting him the authority to control the "ingress and egress to and from a disaster, the movement of persons within the area, and the occupancy of premises therein; and

WHEREAS, the Governor, in Proclamation Number 33 JBE 2020, has limited all gatherings of 10 or more people, for public safety purposes; and

WHEREAS, Governor has issued a general stay at home order "unless performing an essential activity," 33 JBE 2020, Section 3; and

WHEREAS, attendance at a Caddo Parish Commission Economic Development Committee meeting is not stated in the list of essential activities, listed in 33 JBE 2020, Section 3; and

WHEREAS, the usual conduct of the meeting would require travel and the presence of a number of persons in excess of ten (10); and

WHEREAS, the Governor of the State, in Proclamation Number 30 JBE 2020, Section 4, issued on March 16, 2020, has invoked the aforementioned statutes authorizing him to allow attendance at essential governmental meetings via teleconference or video conference during the pendency of this emergency; and

WHEREAS, the Governor of the State, in Proclamation Number 41 JBE 2020, Section 13, issued on April 2, 2020, has extended the Stay-At-Home Order until Thursday, April 30, 2020; and

THEREFORE, the Caddo Parish Commission hereby certifies that it will not be able to obtain a quorum and convene a meeting in a public forum on April 20, 2020 due to the Governor's proclamations, and will be required to meet by video conference, and, if necessary teleconference, on that date as allowed by law and the Proclamations of the Governor listed above. **Date: April 15, 2020**

/s/ Mario Chavez, Caddo Commission President

Mr. Atkins welcomed everyone to today's meeting and stated that the Committee will be discussing the following items:

- *Discuss providing economic incentives to potential employer*
  - *Discuss Frymaster ITEP application*
  - *Discuss funding for Southern University Programs—Nursing, Aerospace, and MS-KICK*
  - *Discuss adding the requirement that all funding requests coming to the Economic Development Committee be accompanied by an economic impact assessment.*
- Mr. Atkins moved onto the first New Business item, *Discuss providing economic incentive to potential employer*. He then introduced Mr. Scott Martinez, NLEP, to the Committee.

Mr. Martinez said that they have been working with a customer call center since last year. There are two communities in contention with this project. He had a discussion with the company and filled in every gap it would take to win this project, except \$300,000 in cash. NLEP sent the Commissioners a letter outlining their recommendation of a cash incentive. The way they broke it down to get to the \$300,000 request, was \$750 per employee as the employees came online. So at the end of the first 150 employees in Year One, they recommended a cash disbursement of \$112,500. In Year Three, as they added employees, it would be another \$75,000. In 2025, when they obtain their 400 employees, they would receive an addition \$112,500. Mr. Martinez pointed out that they are competing with a community

in Texas. He has been assured if they can procure this incentive, they can do an announcement on this project and have them operational by the end of July. He also mentioned that they are looking at a call center used by CenturyLink on Bert Kouns.

Mr. Atkins summarized the project and stated that it would be approximately \$300,000 over a five-year period. The benefits, based on Mr. Martinez's assessment, would be approximately \$850,000 over a ten-year period with net benefits to the Parish, particularly being about \$540,000. He also said that it would be about 400 direct jobs with an additional 90 plus spin-offs, and the average salary about \$23,500. He also mentioned that they would be investing \$2M in the building with furniture, fixtures, and equipment. Mr. Martinez added that there would be no tax exemption on the real and personal property.

Mr. Atkins also mentioned that he and Mr. Martinez approached the Industrial Development Board (IDB) to consider funding this project. He suggested that a committee member make a motion that if this item is not funded by the IDB, that the Commission would then have permission to forward it to the full body for consideration.

Mr. Chavez suggested that a motion be made for a unanimous show of support to urge the IDB to support this, and then come back if they don't. Mr. Atkins stated that there is a time sensitivity issue with this project because they would like to be operational in July.

It was **moved by Mr. Epperson**, seconded by Mr. Atkins, *to recommend to the full body an appropriation of \$300,000 for Project Grace.*

Mr. Epperson believes that this would be a worthwhile initial proposal because the company would like to be operational by July.

Mr. Burrell wanted to know if this was a call center. Mr. Atkins stated that it was.

Attorney Frazier wanted to know if there would be any clawbacks in case these jobs are not held for a certain period of time. Mr. Martinez recommended that there be a clawback in the CEA or contract that would be based on the percentage of non-compliance. If the company is not compliant that they have to give back a pro rata basis of the incentive that they get from the Parish or the IDB. He also pointed out that the Louisiana Economic Development Office is going to structure a similar agreement for their participation. He suggested that the Commission mirror what they are doing.

Answering a question from Mr. Atkins regarding the funding source for this project, Mrs. Barnett said that it would have to come from the Economic Development Fund or the Oil & Gas Fund. Dr. Wilson mentioned that they would be "geared toward" using the Oil & Gas Fund. He also encouraged the Committee to move forward while they are having discussions with the IDB.

Mrs. Gage-Watts wanted to know if she would need to make a friendly amendment to the motion on the floor to add the language regarding the clawbacks, Attorney Frazier stated that could be formulated by the full body.

Mrs. Gage-Watts believes that this would be a worthwhile investment for Caddo Parish. She said that economic development is in dire need, especially during this time.

Mr. Young wanted to know if there were provisions in the contract for what their business model will look like in case the health circumstances are not favorable to open in July. Mr. Martinez did not have an answer to that question at this point. Mr. Atkins pointed out that their incentives are tied to bringing employees to Caddo Parish, and they are only paid the incentive when employees take up employment in Caddo Parish. If they were to have remote workers working from outside the Parish, then they would not receive the incentive.

Mr. Burrell wanted to know if the Commission has a full economic impact study on this issue. Mr. Atkins stated that it was sent to all of the Commissioners.

At this time, Mr. Epperson's motion carried, as shown by the following roll call votes: AYES: Commissioners Atkins, Chavez, Epperson, Gage-Watts, and Young (5). NAYS: None (0). ABSENT: None (0). ABSTAIN: None (0).

Mr. Chavez thanked Mr. Scott Martinez for all of his hard work in bringing economic development to Caddo Parish.

Mr. Atkins pointed out that they will continue to work with the IDB and present them with this opportunity for funding.

- Mr. Atkins then moved onto the next New Business item, *discuss Frymaster ITEP application.*

Mr. Atkins stated that Frymaster manufactures and assembles commercial cooking equipment. He said that they have been a part of this community for a number of years. He also said that they were bought out by a larger company called Welbilt and are now a part of the global Welbilt

Corporation. This new ownership has created opportunities for renewed investment at the company, but they must also compete with its sister facilities for capital investment.

They are envisioning an upgrade on their equipment and a reinvestment that will allow them to maintain their employees here in Caddo Parish.

Dr. Wilson explained that they submitted an application in October of 2019. He said that the application was for the installation for additional equipment. He said that they will be investing \$6M in order to maintain 346 employees. Dr. Wilson also explained that they are asking for an 80/20 proposition, which means they are requesting an 80% tax exemption for five years. He said that Administration is in favor of this ITEP application.

Mr. Johnson wanted to know if any new jobs would be created for this exemption. Dr. Wilson stated that this is for workforce sustainability. Mr. Johnson then wanted to know if this application would qualify for the ITEP under the new rules. Dr. Wilson explained that they would need a compelling reason for retention. Mr. Atkins mentioned that the City Council approved this application during its last meeting.

Answering a question from Mr. Burrell regarding the annual exemption amount, Mr. Atkins stated that it would be approximately \$146,000.

It was **moved by Mr. Chavez**, seconded by Mrs. Gage-Watts, *to recommend to the full body the requested 80% ITEP exemption for Frymaster.*

Answering a question from Mr. Johnson regarding the maximum tax exemption, Dr. Wilson stated that the maximum is 80/20. He also explained that the organization would have to reapply, if needed, after five years.

Mrs. Gage-Watts is in support of the motion and asked that her colleagues do the same.

At this time, Mr. Chavez's motion carried, as shown by the following roll call votes: AYES: Commissioners Atkins, Chavez, Epperson, Gage-Watts, and Young (5). NAYS: None (0). ABSENT: None (0). ABSTAIN: None (0).

- Mr. Atkins then moved onto the next New Business item, *discuss funding for Southern University programs for Nursing, Aerospace, and MS-KICK.*

Mr. Atkins reminded the Committee that SUSLA's request is for \$250,000. He also said that the total budget is \$450,000, so this request represents 55% of the overall budget.

Ms. Janice Sneed, SUSLA, first discussed the nursing program. She said that this would be a one-time request. They are in the process of opening up a new facility adjacent to their current building downtown. Currently, there are 175 students enrolled in their nursing programs. Upon opening the new facility, they will be able to enroll an additional 75 students into their program; they anticipate this number to grow over time. She said that this program will be able to sustain itself easily after the first year. The funding request is for \$150,000 to support their program expansion and enhancements to meet the growing workforce need in this community.

Mr. Chavez asked for a breakdown of what the funds will be used for. She said primarily what they do need is materials and equipment, but they could address other expenditures that is more appropriate for the Parish.

Mr. Burrell pointed out that there will be an increase in demand for nurses because of the current pandemic.

Mrs. Gage-Watts wanted to know if these would be voted on individually or collectively. Mr. Atkins proposed that they hear the information for all three programs then vote on them individually.

Ms. Sneed mentioned that the average wage for Southern's students is \$60k for the RN program and \$50k for the LPN program.

Mr. Atkins wanted to know if Southern has curriculum for RNs and LPNs. Ms. Sneed stated that they have a comprehensive program that starts with a CNA. They also have a LPN program and a fast track LPN program. They also have a two-year RN program.

Mr. Young wanted to know if they have a contingency plan on how the nursing school would operate if the public health crisis is continuing and preventing academic meetings. Ms. Sneed said that they are making adjustments and offering online classes at this point. She also said that they are gradually going back into hands-on training.

Ms. Sneed then moved onto the aviation program. She explained that they initially received a large amount of funding from the Parish, in excess to \$300k annually, but they have since trickled down to a \$50k request. She said that the monies requested would be for the Aviation Maintenance Technicians Program to help with the expenses as the program continues to grow.

Mr. Burrell wanted to know if SUSLA has approached Barksdale AFB for funding. Ms. Sneed stated that they have not.

Mr. Epperson wanted to know if SUSLA has approached Western Global. Ms. Sneed said that they are one of their primary partners in the community. They have internships with them where the students can work there and receive training prior to graduating from the program. She also said that they are in discussions with Arrow Ready to establish internships.

Mr. Chavez wanted to know where the 177 graduates were working. Ms. Sneed said that they are in a place now where many of them will be placed locally.

Mr. Chavez wanted to know if there has been any communication with LED for funding of this program. Ms. Sneed said that they have supported them significantly with this program. She said that the most recent award was somewhere between \$250k and \$500k, but she would need to check her numbers and report back.

Mr. Atkins talked about the licensing completion rates that were provided. In 2014-2015, there were seven; in 2015-2016, there were five; same with 2016-2017. In 2017-2018, there were two; and in 2018-2019, there was one. He wanted to know what was causing the negative trend. Ms. Sneed said that the students were not able to test here locally, so that was problematic. She also said that the testing fees in itself have now been added to their cost to enroll into the institution. She also said that they are now able to test locally, so they are hoping that the trend will turn around this year.

Mr. Atkins then asked the difference between completing the program and obtaining a license. Ms. Sneed stated that the student can complete the program, not have their license, and obtain a job in the field.

Ms. Sneed then moved onto the Milam Street Kitchen Incubator Community Kitchen (MS-KICK), which serves as a kitchen incubator and workforce development hybrid to connect entrepreneurship, culinary workforce training, health, and wellness to improve economic opportunities to the Allendale, Ledbetter Heights, and Westedge communities. She also said that they were ready to launch the incubator, but COVID-19 happened.

Ms. Sneed then talked about the MSKICK Grab & Go Meals as a COVID-19 relief project. The objective is to provide hot, healthy meals in the MSKICK targeted communities and groups to remove food insecurities, improve food access, and improve the nutritional value of meals. This will allow some of the culinary businesses to go back to work as well as put individuals back to work earning income who became unemployed due to the coronavirus.

Answering a question from Mr. Burrell regarding the food desert in that area, Ms. Sneed explained that healthy meals is a primary component of MSKICK. She said that they are working with the Food Bank and Shreveport Green to keep the costs down and help with the food insecurities in the community.

Mr. Chavez wanted to know the reason for the increase in funding request. Ms. Sneed said that COVID-19 is the reason for the increase. She said that they are working with the Food Bank, Shreveport Green, and other caterers to address the food insecurities in the area.

Mr. Chavez wanted to know the funding source for this request. Mrs. Barnett explained that this would come from the Economic Development Fund, or there would need to be a transfer from the Oil & Gas Fund. Mr. Atkins said that Economic Development is primarily funded from video poker. Mrs. Barnett also mentioned that most of the places with video poker are not able to operate due to COVID-19, so they are expecting a major downturn with that revenue.

Mrs. Gage-Watts mentioned that this is an educational program that is advantageous to the future of this Parish. She encouraged the Committee to vote in favor of all three of these requests.

Mr. Burrell asked about the stimulus that the Parish is supposed to receive. Mrs. Bryant explained said that some of the stimulus package did not cover local government. She also said that they are trying, through the Police Jury Association, to receive more funding for local government. Mrs. Bryant said that currently, they do not have anything that says the Parish would have revenue replacement from the loss of revenues from sales tax, riverboat, property taxes, etc. She also said that Caddo Parish will have some financial issues in relation to COVID-19.

Mr. Epperson pointed out that revenue replacement is not currently on the table, but the PJAL is lobbying for it. He also said that he is in support of these programs.

Mr. Johnson explained that there will be some NGO funding that would need to be adjusted due to the coronavirus.

Mr. Johnson also that the requests mentioned in this meeting will stimulate the economy and help create jobs.

It was **moved by Mr. Epperson**, seconded by Mrs. Gage-Watts, *to recommend to the full body the funding levels as requested by SUSLA (\$150,000 Nursing Program, \$50,000 Aviation, and \$50,000 MSKICK).*

Mr. Atkins stated that he will not be in support of this motion due to the funding level. He explained that the request made by SUSLA is more than half of the projected budget for the Economic Development Fund. He said that he is not opposed to funding SUSLA at some level, but not at this level.

Mr. Chavez stated that he would like to see this voted on independently. He also pointed out that the Governor shut down the schools for the remainder of the school year. Ms. Sneed mentioned that the public schools did shut down, but the higher-ed institutions are still operating online.

Mr. Epperson suggested that this be moved to the full body for further deliberation. Mrs. Gage-Watts agreed and said that this would be an investment in our future and our health.

Answering a question from Mr. Young regarding the number of meals that the increase in funding for MSKICK would provide, Ms. Sneed stated that she has to work out the numbers and will provide that at a later time.

At this time, Mr. Epperson's motion carried, as shown by the following roll call votes: AYES: Commissioners Atkins and Chavez (2). NAYS: Commissioners Epperson, Gage-Watts, and Young (3). ABSENT: None (0). ABSTAIN: None (0).

It was **moved by Mr. Atkins**, seconded by Mr. Epperson, *to postpone the discussion regarding adding the requirement that all funding requests coming to the Economic Development Committee be accompanied by an economic impact assessment.* Motion carried.

There be no further business to come before the Committee, the meeting was adjourned.

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Michelle Nations  
Deputy Commission Clerk