

MINUTES OF THE MEETING OF THE
CADDO PARISH COMMISSION'S
ECONOMIC DEVELOPMENT COMMITTEE
HELD ON THE 6th DAY OF MAY, 2019

The Caddo Parish Economic Development Committee met in the Administration Conference Room on the above date at 1:45 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, various members of Together Louisiana, and Commissioners Chavez, Jackson, and Middleton.

Mr. Atkins gave the invocation and Mr. Smith led the Committee in the Pledge of Allegiance.

Mr. Lynn D. Cawthorne opened up the floor for citizens comments:

Ms. Susan Caldwell, Interfaith, came before the Committee to endorse the ITEP application of Ternium USA, Inc. She said that this is a real expansion with new real direct jobs. She said that they are here to endorse the application with some qualifications, such as clearly defined performance provisions to protect the interest of the community. She also said that if the job creation criteria is not met, the ITEP application should be cancelled immediately. Going forward, we think that the Commission should create clear standards for ITEP approval or rejection, so that businesses, ITEP applicants, taxing bodies, and the public at-large knows what the rules of the game are and what to expect, she said.

Mr. Bobby Edwards, Interfaith, said that there are several pieces of legislation at the state level to strip this Commission of its authority to decide whether or not to approve tax exemptions on property taxes. He also noted that Louisiana is the only state in the nation that allows an unelected state level body to approve local tax exemption without the approval of the local elected bodies. Mr. Edwards urged the Committee to oppose any legislation from the state level that would take away the Commission's authority to approve tax exemptions.

There being no one else 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:

- Presentation from Ms. Dana Cawthon, Regional Director, LSBDC Louisiana, Division of SBA
- Discuss Ternium USA, Inc. recently approved ITEP application by the Board of Commerce & Industry on April 24, 2019
- Mr. Cawthorne moved onto the first New Business item, *Presentation from Ms. Dana Cawthon, Regional Director, LSBDC Louisiana, Division of SBA.*

America's SBDC represents the nationwide network of Small Business Development Centers (SBDCs)—the most comprehensive small business assistance network in the United States and its territories. American's SBDC plays a critical role in the health of small businesses: helping access capital, providing advice on regulations, preparing for changes in the economy and technology, and responding when disaster strikes.

She said that for every dollar invested, the SBDC gives back at least \$2.01 in federal revenue, \$2.88 back into state revenue, and approximately \$47 in new capital invested within the local community.

Ms. Cawthon would like to conduct an eight-week Entrepreneurial Series twice a year. She proposed two different options. The proposal amount would be \$20,000 for the first option. The second option would employ a SBDC Business Development Specialist (full-time for Caddo Parish) with the proposed amount of \$110,000.

Mr. Atkins reiterated the three-legged stool for Economic Development—attracting the “big guys” or bigger businesses, supporting existing businesses, and supporting local entrepreneurs/small businesses. He would like to know if Ms. Cawthon would be providing access to funding. Ms. Cawthon said that the SBDC is not a lending source, but they are an advisor to SBA and LED programs. She gets most of her referrals from banking institutions. She gets the client prepared to go to the bankers.

Mr. Atkins asked that Ms. Cawthon describe the differences between her program and the EAP at the BRF. Ms. Cawthon explained that EAP focuses on companies who have innovation and creativity with a projection of making much more dollars in a short period of time. Her company is for smaller every day businesses, like convenient stores, beauty shops, mechanic shops, etc.

Answering another question from Mr. Atkins regarding the geographical location for this service, Ms. Cawthon said that it would be for multi-parishes. She will be asking them for funding as well. Her areas include Arcadia to Shreveport, down south to Pineville, Alexandria, and Deridder, and everything in between. She said that it covers fourteen parishes in northwest Louisiana.

Mrs. Gage-Watts said that this is a valuable program to this area. She wanted to know the types of programs in place to make small business owners and entrepreneurs aware of this information. Ms. Cawthon said that part of her grant does not allow her to market. She cannot spend those dollars on marketing, but she does send out flyers, Facebook, emails, etc.

Mr. Chavez would like to Ms. Cawthon to name a few of her “success stories”. Ms. Cawthon stated that she cannot name the actual names of the businesses. She gave an example of a local entrepreneur who provides whole foods to convenient stores in the four state region, which produces approximately \$4M in revenue each month. Mr. Chavez requested the number of businesses that she’s helped along with the ROI.

Answering a question from Attorney Frazier regarding the services listed in the proposal, Ms. Cawthon stated that it would be held in Caddo Parish for the citizens of this Parish.

Ms. Cawthon pointed out that the program participants must complete a full business plan once they are finished with the program. They will learn: business development by developing strategic plans, create growth strategies, expand into domestic or international markets, and identify government contracting and procurement opportunities; market information and research by determining business feasibility, examine industry and customer trends, analyzing competitive environments; business finances by developing a sustainable business model, project cash flow and capital requirements, forecast sales and expenses, identify sources of funding, prepare loan packages and get “bank ready”, and develop Pro Forma financial statements; strategic marketing by creating sales and marketing strategies, evaluate online presence, identify digital marketing resources, and improve branding; and business training with seminars and workshop on a variety of topics such as sales and market expansion, online and traditional marketing, accounting and finance, e-commerce, risk management, and business management. In order to receive a SBDC Caddo Parish certificate, they must complete a full business plan incorporating all of these skills.

It was **moved by Mr. Atkins**, seconded by Mr. Cawthorne, *to send a recommendation to the full body, Option 1 of \$20,000 for the SBDC program and to also work with other economic development entities.* 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 Ternium USA, Inc. recently approved ITEP application by the Board of Commerce & Industry on April 24, 2019.*

Dr. Wilson stated that this application was approved for 80% exemption and 20% taxes paid from day one for five years. He suggests that the Commission accept the recommendation of the Board of Commerce & Industry.

Mr. Atkins explained that this is a proposal from Ternium, which is a galvanized metal company at the Port. They are proposing a \$14.2M investment to sell a new galvanizing line, which would employ six new people and sixty-five employees during the construction phase. The new employees would be an engineer, operators, and technicians. The annual exemption would total approximately \$280k. The annual payroll for the new employees is \$390k. He also explained that over the course of five years, the total exemption would be \$1.2M, with the possibility of an addition five years of exemption, which would total \$2.3M. The annual payroll for those ten years would be \$3.9M.

Answering a question from Mrs. Gage-Watts regarding the new employees, the Ternium representative stated that the employees will be residents of Caddo Parish. He said that they have to hire residents of Caddo Parish due to the application.

The representative from Ternium said that they have been in this community for eleven years, and it is continuing to grow. Ternium has invested \$11M since they have been in Caddo Parish. They also plan to invest more into this community as the company continues to grow.

Mrs. Gage-Watts wanted to know what the baseline payroll is for the new hires. The Ternium representative explained that there is an average of \$65k for payroll.

It was **move by Mr. Atkins**, seconded by Mrs. Gage-Watts, *to approve the ITEP application for Ternium USA as presentation. 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).

There was no further discussion, meeting adjourned.

/s/Todd Hopkins
Todd A. Hopkins
Commission Clerk