JEDCO

JEDCO PILOT Advisory Committee
JEDCO Administration Building
700 Churchill Parkway, Avondale, LA 70094
May 19, 2026 @ 9:00 A.M.

MINUTES

Call to Order: 9:00 A.M.

Attendance: Mickal Adler, Jim Martin, Paula Polito, Lynda Nugent Smith, Bob Stevens

Absent: None

Staff: Jerry Bologna, Lauren Cashio, Penny Weeks

Guests: Philip Sherman – Adams and Reese, LLP

I. **Call to Order – Jerry Bologna**
Mr. Bologna called the meeting to order and acknowledge a quorum.

II. **Review and approval of minutes for February 12, 2026**
Paula Polito motioned, seconded by Mickal Adler, to approve the minutes. The motion passed unanimously.

III. **Public Comments on Agenda Items**
There were no public comments.

IV. **Unfinished and New Business**
- **Review and discussion of a request for amendment to Avondale Global Gateway PILOT Lease – Jerry Bologna**

  JEDCO received a written request dated March 25, 2026 from Matthew Mancheski, President & CFO of AGG, for an amendment to the lease agreement. The requested amendment would reduce the lease's annual Targeted Employment requirement beginning in 2026 and in each year thereafter to the end of the lease term in 2038 by an annual average of 74%.

  The requested amendment would significantly reduce the employment numbers without making any other changes to the lease agreement. Despite the positive momentum from AGG by adding a significant amount of capital improvements and returning commercial activity to the site, JEDCO staff feels strongly that to protect the parish's interests, if Targeted

Employment numbers are reduced, there must also be a reduction in the benefit that the PILOT arrangement provides to AGG. JEDCO staff and AGG leadership worked together to develop a mutually agreed-upon alternative amendment proposal that recognizes the current stage of the site's development and AGG's more realistic job creation trajectory while satisfying JEDCO's concern of an uneven ratio of jobs to tax savings, and adds some protection for the parish in the event of a sale and assignment of the lease to a different user.

The final amendment proposal makes the following five changes:

1. Reduces Targeted Employment. The schedule of annual Targeted Employment for years 2026 – 2038 is replaced with the schedule proposed by Avondale Global Gateway in its March 25th letter, which reduces the jobs targets by an annual average of 74%.
2. Ties the annual PILOT to a percentage of taxes that would be paid if the project were not tax-exempt. Rather than the current PILOT schedule which is a set amount each year that increases each year by $25,000, the proposed amended schedule of Base PILOT Payment in Section 4.03(b) is amended to 50% of the Estimated Full PILOT Payment in 2026 and increases over time to 90% in 2038. Based on calculations, AGG ends up paying a total of over $1.2 million more in PILOTs over the remaining lease term.
3. Applies a more stringent clawback penalty. The clawback penalty in Section 4.03(c) is increased by 100% such that if Actual Employment is 50% or less than Targeted Employment, the Targeted Employment Clawback Rent would be the Full PILOT Payment (i.e. 100% of property taxes due if the project were not tax-exempt). In the event of another employment shortfall, the clawback penalty would be assessed and the Lease would unwind per Section 4.01(ii) of the agreement.
4. Allows an additional one year of employment shortfall (3 years total) before a forced lease unwind. Currently, Section 4.01(ii) sets the expiration of the lease agreement on December 31, 2038 and identifies conditions in which the lease would unwind earlier. One such condition provides for an early unwind in the event of two years of employment shortfall, whether the years are consecutive or not. AGG has had one year (2025) of employment shortfall. JEDCO proposes to amend this condition to allow for a total of three years of employment shortfall before the early lease unwind occurs. Therefore, with one year of employment shortfall already, AGG can experience two additional years of employment shortfall but on the third year, the lease will be terminated and unwound.
5. Amendments related to Assignment and Subleasing: Proposed changes to this section would require that the Lessee obtain written approval from the Lessor to sublease and/or assign the agreement. Written approval shall not be unreasonably withheld by the Lessor. Further, it shall not be unreasonable for the Lessor to withhold its consent to a sublease or

assignment if the subtenant or assigned parties: (i) do not conduct the same business as the Lessee, (ii) is a publicly traded company, (iii) is a party that would not qualify for a PILOT if it was the original applicant or (iv) the primary business is government contracts.

Following discussion, Mickal Adler motioned, seconded by Lynda Nugent Smith, to recommend to the JEDCO Board of Commissioners approval of the final proposed amendments to the PILOT Lease Agreement. The motion passed unanimously.

V. **Adjournment** – Bob Stevens motioned, seconded by Paula Polito, to adjourn the meeting.

Jerry Bologna
President and CEO

Member of the PILOT Committee