JEDCO PILOT Advisory Committee
JEDCO Administration Building
700 Churchill Parkway, Avondale, LA 70094
May 28, 2024 @ 2:00 P.M.

MINUTES

Call to Order: 2:00 p.m.

Attendance: Chairman Jerry Bologna, Mickal Adler, Joe Ewell, Jim Martin, Paula Polito, Bob Stevens

Staff: Lacey Bordelon, Lauren Cashio, Penny Weeks

Absences: None

Guests: David Wolf – Adams and Reese
David Greenwood - RNGD
Alex Baker – Maxis Advisors, LLC

I. Call to Order – Chairman, Jerry Bologna

Having established a quorum, the Chairman called the meeting to order and welcomed the above-named guests.

II. Review and approval of minutes for March 25, 2024

Joe Ewell 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 The Reserve at Lapalco Place, LLC PILOT Lease and Lease Terms (deferred from March 25, 2024) – Lacey Bordelon**
  Jim Martin motioned, seconded by Bob Stevens, to defer this to the next meeting. The motion passed unanimously.

- **Review and discussion of RNGD LLC PILOT Lease and Lease Terms – Lacey Bordelon**

  On April 11, 2024, the JEDCO Executive Committee approved a preliminary resolution giving JEDCO staff the approval to negotiate and develop a Lease Agreement and Agreement to Issue Bonds with a favorable payment in lieu of tax ("PILOT") arrangement with respect to the proposed investment by RNGD LLC of approximately $24,000,000 in the acquisition and construction of a new corporate headquarters facility, the construction and equipping of a new manufacturing and steel fabrication facility, the expansion of the existing manufacturing facility, and the development of a workforce training academy for the construction industry in Labarre Business Park, Metairie.

  The project will consist of (1) a new 80,000 square-foot manufacturing and steel fabrication facility, plus expansion of an existing manufacturing facility, (2) a new 20,000 square-foot skilled trades training academy called The Renegade Academy, and (3) the new 35,000 square-foot corporate office for RNGD LLC's regional business organization. The expansion will include the acquisition of $2,000,000 in machinery, equipment and office furnishings. The company currently has about 240 full-time employees with a current annual payroll of $22,230,000. With the planned expansion, RNGD will retain its existing 240 jobs and anticipates the creation of an additional 130 jobs over the next seven (7) years, for a total employment count of 370 employees and a payroll of $32,506,000.

  JEDCO staff and Special Counsel developed a PILOT Lease Agreement that will provide ten years of property tax savings to RNGD once the Project is completed and placed in service and conveyed to JEDCO. While the company requested a tax abatement of 80%, it was determined by JEDCO staff working closely with the Assessor's Office that 80% of the proposed post-development property tax amount yields a value that is less than what is projected to be owed in property tax to Jefferson Parish in the 2024 tax year. For JEDCO PILOTs, staff requires the PILOT Rent to at least equal the amount of property taxes owed and paid on the project site in the year prior to the first year of abatement under the PILOT Lease. Therefore, the actual proposed annual PILOT Rent in the proposed Lease equals roughly a 72% abatement.

  PILOT Rent throughout the ten-year term of the Lease will equal the amount of property taxes the company will pay on the property in December of 2024, which is estimated to be a pre-improvement value of approximately $79,048. It is anticipated that the post-development assessment of the property will be approximately $2,191,500, yielding a post-development property tax amount of approximately $283,082. Therefore, the company will accumulate roughly $204,034 in tax savings each year for a total 10-year savings of $2,040,340, which is approximately 8.5% of the company's total estimated capital cost. This amount of savings equals approximately $5,514 per job the company will retain and create. These estimates were calculated with guidance from the Jefferson

700 Churchill Parkway • Avondale, LA 70094 • Phone 504-875-3908 • Fax 504-875-3923 • www.jedco.org

Parish Assessor's Office using the current millage, which is the tax year 2023 millage of .13155. The actual millage each year of the PILOT Lease could be different. Per the PILOT Lease, the company is to provide evidence of the 2024 tax payment amount as well as document the actual capital cost of the Project to JEDCO. The Assessor's Office will provide annual assessments to JEDCO of the post-development Project.

The proposed PILOT Lease requires RNGD to maintain its corporate headquarters and main administrative offices in Jefferson Parish or the lease will be terminated. This condition for early Lease termination is used in JEDCO's PILOT Leases where the Lessee is headquartered or proposing to be headquartered in Jefferson Parish. An additional condition included in JEDCO's PILOT Leases and in this proposed Lease is if the company falls short of the Targeted Employment or Targeted Payroll in two years regardless of whether those years are contiguous or not. The clawback penalty calculation is designed to completely eliminate all tax savings for the year if the company's Actual Employment or Actual Payroll is less than 50% of the Targeted amounts.

With a recommendation for approval by the PILOT Advisory Committee, the Lease will be presented to the JEDCO Board of Commissioners at their May 30, 2024 meeting. Mickal Adler motioned, seconded by Jim Martin, to recommend for approval. The motion passed unanimously.

V. Adjournment – Joe Ewell motioned, seconded by Jim Martin, to adjourn the meeting.

Jerry Bologna
Chairman, PILOT Advisory Committee