

ORDINANCE AND RESOLUTION FACT SHEET

City of Shreveport

TITLE	DATE	ORIGINATING DEPT./DIV.	SPONSOR OR COUNCIL MEMBER
A RESOLUTION APPROVING INFERNO MANUFACTURING, LOCATED AT 115 RICOU STREET, SHREVEPORT, LA, 71107, FOR PARTICIPATION IN THE INDUSTRIAL TAX EXEMPTION PROGRAM (ITEP), AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.	03/1/21	Economic Development	

PURPOSE

Inferno Manufacturing has applied for participation in the Industrial Tax Exemption Program. This Resolution supports that participation. Inferno Manufacturing, a locally-owned company, is investing \$256,990 in Machinery and Equipment at its plant located at 115 Ricou Street, Shreveport, LA. With the additional equipment the company will employ 2 additional full-time employees, with a new payroll of \$100,000 annually. The new equipment should be assessed at 15% of value, or \$38,548.50. This would equate to \$1,025 in City taxes annually, or at total of \$5,125 over 5 years. An exemption of 80% would equate to \$820 in taxes annually, or a total of \$4,100 over 5 years.

This Ordinance or Resolution will have direct impact on Council District: **A**

BACKGROUND INFORMATION

Article 7, Section 21(F) of the Louisiana Constitution provides for the Board of Commerce and Industry (“BCI”), with the approval of the Governor, to approve contracts for the exemption of ad valorem taxes of a new manufacturing establishment or an addition to an existing manufacturing establishment, on such terms and conditions as the board, with the approval of the Governor, deems in the best interest of the state. Local governing authorities must approve or reject their portion of the contracted exemption.

TIMETABLE

Introduction: **March 9, 2021**

Final Passage: **March 23, 2021**

SPECIAL PROCEDURAL REQUIREMENTS

None

FINANCES

\$820 annually

SOURCE OF FUNDS

Ad Valorem Tax

CONCLUSION

Administration recommends approval of this resolution.

FACT SHEET PREPARED BY: Brandon Fail, Economic Development Director

RESOLUTION NO. ____ OF 2021

A RESOLUTION APPROVING INFERNO MANUFACTURING, LOCATED AT 115 RICOU STREET, SHREVEPORT, LA, 71107, FOR PARTICIPATION IN THE INDUSTRIAL TAX EXEMPTION PROGRAM (ITEP) AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

WHEREAS, Article 7, Section 21(F) of the Louisiana Constitution provides for the Board of Commerce and Industry (“BCI”), with the approval of the Governor, to approve contracts for the exemption of ad valorem taxes of a new manufacturing establishment or an addition to an existing manufacturing establishment, on such terms and conditions as the board, with the approval of the Governor, deems in the best interest of the state;

WHEREAS, Inferno Manufacturing has applied for an Industrial Tax Exemption (“ITE”) and seeks approval of the BCI and the Governor for a contract granting that exemption;

WHEREAS, Governor Edwards, through Executive Order JBE 16-73, has set forth the conditions for his approval of ITE contracts, and affirmed that those conditions are in the best interest of the state of Louisiana;

WHEREAS, Executive Order JBE 16-73 provides that ITE contracts should be premised upon job and payroll creation at new or expanded manufacturing plants or establishments, and that the percentage of exemption from ad valorem taxes, and length of the contract for such exemption, may vary depending upon the nature of the project and its economic development benefit in accordance with guidance received from the Secretary of Economic Development and concurred in by the appropriate parish or municipal governing authority, school board, and sheriff;

WHEREAS, Executive Order JBE 16-73 mandates that each exemption contract approved by the Governor shall include as Exhibit “A” a Cooperative Endeavor Agreement for the ITE between the State of Louisiana, the Louisiana Department of Economic Development, and the applicant for the ITE contract, which provides for the creation or retention of jobs, and provides for the exercise of the option in the Louisiana Constitution for the term or percentage of the city ad valorem tax exemption granted in the contract, and provides for the reduction or loss of the exemption based upon the applicant’s compliance with the contract.

WHEREAS, Executive Order JBE 16-73 further requires that this City Council together with the other required local governmental entities signify their consent to the terms of the exemption by resolution and the sheriff of this parish shall signify consent to the terms of the exemption by letter. Executive Order JBE 16-73 further provides that the resolutions of approval and the sheriff’s approval shall be attached as Exhibit “B” to the ITE contract between the BCI and Inferno Manufacturing; and

WHEREAS, Inferno Manufacturing and the Louisiana Department of Economic Development have advised that certain terms and conditions forming Exhibit “A” to the Industrial Tax Exemption Contract pending approval before the Louisiana Board of Commerce and Industry have been reached and have conveyed the same to this City Council, and thus this matter is now ready for a determination of approval of this City Council as required by Executive Order JBE 16-73,

NOW THEREFORE, BE IT RESOLVED, upon consideration of the foregoing and the public discussion held this day, that the City Council hereby approves the terms of the Industrial Tax Exemption contract based on the inclusion of the following terms and conditions into Exhibit "A" (the Cooperative Endeavor Agreement between the State of Louisiana, the Louisiana Department of Economic Development, and Inferno Manufacturing) to the Industrial Tax Exemption contract between the Board of Commerce and Industry and Inferno Manufacturing with respect to its manufacturing plant located at 115 Ricou Street, Shreveport, Louisiana:

2	New Direct Jobs at the Manufacturing Establishment
\$100,000	Annual Payroll
5 years	Term of Exemption Contract
80	Percentage of Exemption from City Ad Valorem Taxes
Yes	Loss of Exemption for non-compliance

The City Council further authorizes the Louisiana Department of Economic Development, on behalf of the Board of Commerce and Industry, to Include this resolution in Exhibit "B" to the Industrial Tax Exemption Contract between the Board of Commerce and Industry and Inferno Manufacturing.

BE IT FURTHER RESOLVED by the City Council that a copy of this resolution shall be forwarded to Board of Commerce and Industry and the Louisiana Department of Economic Development.

BE IT FURTHER RESOLVED if any provision or item of this resolution or the application thereof is held invalid, such invalidity shall not affect other provisions, items or applications which can be given effect without the invalid provisions, items or applications, and to this end, the provisions of this resolution are hereby declared severable.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately.

BE IT FURTHER RESOLVED that all resolutions or parts thereof in conflict herewith are hereby repealed.

THUS DONE AND RESOLVED by the City Council of the City of Shreveport, Louisiana.

APPROVED AS TO LEGAL FORM:

City Attorney's Office