

ORDINANCE AND RESOLUTION FACT SHEET

City of Shreveport

TITLE	DATE	ORIGINATING DEPT./DIV.	SPONSOR OR COUNCIL MEMBER
A RESOLUTION APPROVING CUSTOM RETAIL STORE FIXTURES LLC FOR PARTICIPATION IN THE INDUSTRIAL TAX EXEMPTION PROGRAM (ITEP) LOCATED AT 9401 SLACK ROAD, SHREVEPORT, LA, 71106, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO.	11/17/21	Executive Office	

PURPOSE

Custom Retail Store Fixtures LLC has applied for participation in the Industrial Tax Exemption Program. This Resolution supports that participation. Custom Retail Store Fixtures LLC is investing \$191,327.00 in Machinery and Equipment at its plant located at 9401 Slack Road, Shreveport, LA. The need for new equipment has been facilitated by an increase demand for their products and the need to manufacture components in house opposed to purchasing from outside suppliers. Although no new jobs are anticipated, the additional equipment and space will support new and current business that is suffice to maintain our current employee base. The new equipment should be assessed at 15% of value or \$28,699. This would equate to \$763.05 in taxes annually or a total of \$3,815.25 over 5 years. An exemption of 80% would equate to \$610.44 in taxes annually or a total of \$3,052.20 over 5 years

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

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

TIMETABLE

Introduction: **November 19, 2021**

Final Passage: **December 14, 2021**

SPECIAL PROCEDURAL REQUIREMENTS

None

FINANCES

\$610.44 annually

SOURCE OF FUNDS

Ad Valorem Tax

CONCLUSION

Administration recommends approval of this resolution.

FACT SHEET PREPARED BY: Annette Cash, Interim Assistant CAO

RESOLUTION NO. ____ OF 2021

A RESOLUTION APPROVING CUSTOM RETAIL STORE FIXTURES LLC FOR PARTICIPATION IN THE INDUSTRIAL TAX EXEMPTION PROGRAM (ITEP) LOCATED AT 9401 SLACK ROAD, SHREVEPORT, LA, 71106, 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, Custom Retail Store Fixtures LLC 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 Custom Retail Store Fixtures LLC; and

WHEREAS, Custom Retail Store Fixtures LLC 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 Custom Retail Store Fixtures LLC) to the Industrial Tax Exemption contract between the Board of Commerce and Industry and Custom Retail Store Fixtures LLC with respect to its manufacturing plant located at 9401 Slack Road Shreveport, Louisiana:

- 24 Retained Jobs at the Manufacturing Establishment
- 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 Custom Retail Store Fixtures LLC.

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