

THE ADVOCATE

Ascension Parish School Board committee punts on proposed industrial tax exemptions, seeks more time for review

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GONZALES — Poised to decide on whether to grant full industrial property tax exemptions to five manufacturers, the Ascension Parish School Board found itself unable to vote Tuesday, after the issue died earlier in the Budget Committee following two back-to-back tie votes.

At the Budget Committee meeting held before the regular School Board meeting, Kate MacArthur, president and chief executive officer of the Ascension Economic Development Corp., sought the committee's recommendation that the full board approve exemptions from property taxes — at 100 percent for five years and 80 percent for three years — for the following industrial projects, given code names by the AEDC:

- Project Magnolia: A business seeking to build and operate a new plant in Geismar to supply an existing business via pipeline. The \$145 million project would create seven new permanent jobs.
- Project Zinnia: A "first-of-a-kind in the world" demonstration plant, AEDC says, with breakthrough technology. The \$25 million project would create two new permanent jobs.
- Project Bagel: A major employer looking to expand chemical capabilities. The \$125 million project would create 15 new permanent jobs.
- Project Sunflower/Seed, a project that involves two companies, one a chemical producer, that would be "critically important for positioning them to be more competitive now and for years to come." The \$167 million project would create eight new permanent jobs.

MacArthur has said recently that AEDC uses code names in accordance with Louisiana Economic Development regulations regarding competition.

"Incentive programs are never considered gifts," MacArthur said. "They are to incentivize the location of a project."

The five manufacturers have a combined capital investment of \$462 million, according to the AEDC.

An Advocate analysis of the tax liability shows that if the School Board grants the maximum exemption allowed, the school system would give up \$24.8 million in property tax revenues over the next eight years.

The four of the five Budget Committee members present Tuesday heard from 14 speakers during the comment period after MacArthur's presentation, most of them against the exemptions.

"The first time anybody has seen this is right now," said Brian Blackwell, attorney for the Louisiana Educators Association, of MacArthur's presentation. "I think it's unfair to the people in this parish to keep them in the dark as to even what the projects are."

"Do you have all the money you need for the students and the schools?" Henryenne Loudon asked. "If not, you need to do more homework. We all need to do more homework."

Broderick Bagert, of **Together Louisiana**, told committee members the organization has been studying Louisiana's industrial tax exemption program for more than two years.

"No state has a program like this, no other place in the country," he said.

"Look at what other communities have done. Texas requires any taxing body to establish standards and criteria," said Bagert, who criticized AEDC's use of "anonymous names" and "generic descriptions" of projects.

Speaking in favor of the exemptions were three employees of BASF, including Tom Yura, senior vice-president and site general manager in Geismar.

"I can assure you, after meeting with LED, there are accountability standards," Yura said. "If we do not meet those, they take (the exemptions) back."

"It's not a giveaway. We are in a competitive battle," he said.

At the close of the Budget Committee meeting, member Shawn Sevario made a motion, seconded by Robyn Penn Delaney, to delay making any recommendation on the issue.

"The last couple of days, I've been getting lots of phone calls, lots of information has been given to me," Sevario said. "I feel like we maybe need to take our time, so we can look at this, to understand."

After Budget Committee members Troy Gautreau and Scott Duplechein voted against the motion, making it a tie, the members turned to board attorney Jeff Diez for advice on what to do next.

The fifth member of the Budget Committee, Lorraine Wimberly, was not at Tuesday's meeting.

"It's an exercise in futility, but now we have to have a motion" for recommendation of the tax exemptions, Diez said.

Duplechein made that motion, with Gautreau's second, and, this time, Sevario and Delaney voted against it — another tie.

With that, said Diez, "it doesn't go to the full board."

Gautreau, who is chairman of the Budget Committee, set a date for another committee meeting Oct. 17 to take up the matter again.

Under an executive order by Gov. John Bel Edwards in June, all of the major taxing bodies in a parish must agree to industrial tax exemptions.