

RESOLUTION NO. 72 OF 2018

A RESOLUTION APPROVING CALUMET SHREVEPORT LUBRICANTS & WAXES, LLC FOR PARTICIPATION IN THE INDUSTRIAL TAX EXEMPTION PROGRAM (ITEP) LOCATED AT PROJECT SITE 3333 MIDWAY STREET SHREVEPORT, LOUISIANA, 71109, AND TO OTHERWISE PROVIDE WITH RESPECT THERETO

BY: COUNCILMEMBERS CORBIN AND JENKINS

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; and

WHEREAS, Calumet Shreveport Lubricants & Waxes, LLC (Calumet) applied for an Industrial Tax Exemption (“ITE”) and seeks approval of the BCI and the Governor for a contract granting that exemption; and

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; and

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; and

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; and

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 Calumet; and

WHEREAS, Calumet 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 the City Council, and thus this matter is now ready for a determination of approval of the City Council as required by Executive Order JBE 16-73. The information conveyed is as follows:

Project Number	Investment Amount	Taxable Value	Estimated Tax Exemption	New jobs	Additional Payroll
20161561	3,519,694.00	527,954.10	17,765.66	5	184,200.00
20161562	4,494,938.00	674,240.70	22,688.20	5	184,200.00
20170091	1,000,000.00	150,000.00	5,047.50	1	36,840.00
20170160	25,000,000.00	3,750,000.00	126,187.50	6	221,040.00

Totals	34,014,632.00	5,102,194.80	171,688.86		626,280.00
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858,444.30 Five Year Estimate

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Shreveport in due, legal and regular session convened, that upon consideration of the foregoing and the public discussion held this day, that the City Council hereby approves amended terms of the Industrial Tax Exemption contract between the State of Louisiana (Board of Commerce and Industry) and Calumet Shreveport Lubricants & Waxes, with respect to its manufacturing plant located at 3333 Midway Street, Shreveport, Louisiana, as follows:

Project Number	Investment Amount	Taxable Value	Estimated Tax Exemption	New jobs	Additional Payroll
20161561	3,519,694.00	527,954.10	7,283.92	5	184,200.00
20161562	4,494,938.00	674,240.70	9,302.16	5	184,200.00
20170091	1,000,000.00	150,000.00	1,564.73	1	36,840.00
20170160	25,000,000.00	3,750,000.00	69,403.13	6	221,040.00

Totals	34,014,632.00	5,102,194.80	87,553.94		626,280.00
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437,769.70 Five Year Estimate

The estimated tax exemption for each project in the preceding table is a percentage of the total tax as follows: 41% for 20161561; 41% for 20161562; 31% for 20170091, and 55% for 20170160.

The City Council also specifically consents to a 5 year exemptions for each project, and the loss of exemptions for non-compliance.

The City 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 Calumet Shreveport Lubricants & Waxes.

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