

**St. Tammany Parish Development District
Board of Commissioners Meeting
Minutes | October 20, 2022**

Present: Scott Day, Mimi G. Dossett, Mike Gambrell, Al Hamauei, Marty Mayer, Bill Newton, Eric Schouest, Mike Tillman, Dr. William Wainwright

Absent: Joan Coffman, Bruce Javery

Staff: Chris Masingill, Jolie Bernard, Vincenzo Caronna, Sharon DeLong, Keith Espadron, Elizabeth Lee, Kate Moore, Todd Whalley

Counsel: Mark Balkin, Hardy Carey Chautin & Balkin; Phil Sherman, Adams & Reese; Jake Nickens, SumIt Credits

Guests: Richard Cornelison, Cleco Economic Development Director; Kathleen Wilkin; Mike Stratis of Intrepid Properties, site selector for Project Mack (virtual)

President Mayer called the meeting to order at 3:00 p.m. Quorum was established by Commissioners present. Mayer noted a recent meeting with Vincenzo Caronna, St. Tammany Corporation's new Entrepreneur in Residence, and expressed his excitement in the new entrepreneurial program, StartUp Northshore.

Mayer recused himself from the vote on Project Mack. He passed the gavel to Vice President Mike Tillman and left the meeting at 3:05 p.m.

Eric Schouest introduced Richard Cornelison as the Economic Development Director for Cleco. Cornelison stated his readiness to work with STC on economic development projects.

PUBLIC COMMENT PERIOD

No public comment on any agenda item.

CONSENT AGENDA

The Consent Agenda was deferred to the November meeting.

NEW BUSINESS

Project Mack

Masingill thanked the members of the Finance Committee for their flexibility in attending a special called meeting to review the program data to make a recommendation to the board. He stated the client, while evaluating St. Tammany Parish for the past ten years, had been more resolute in its intention to locate in the parish for the past eighteen months. Masingill noted the project memo with consolidated project data for the multi-national company who has already invested \$1 million to accommodate the project location.

Jake Nickens reviewed the company history and overview, the reason for requesting the PILOT, the terms of the PILOT and the Cost Benefit Analysis. He introduced Mike Stratis, site selector for Project Mack, and asked Commissioners to move forward with a full recommendation for approval of the preliminary resolution to continue with the project.

Project Mack is a multi-billion-dollar global retailer with warehouse club operations in eight countries. Recognized as a leader in its field, the company is dedicated to quality in every area of their business and respected for their outstanding business ethics. This project is expected to create approximately \$45 million in capital expenditures, creating 75 full time and 75 part time jobs with benefits.

The company is faced with both the added cost due to recent inflation as well as the high taxes in St. Tammany relative to neighboring areas. Furthermore, their desired site is located in the existing Highway 21 economic development district (EDD), which levies an additional .75% sales tax on their goods. Unlike

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traditional EDDs, revenues from the district are reallocated to projects parish wide rather than back to the specific developments within the district.

The applicant is concerned about being in a competitive disadvantage to other nearby retailers, outside of the special district, relative to hard merchandise sales. This factor has given decision makers pause and prompted them to seek incentive options. Despite creating high paying jobs, due to its industrial classification as a retail business, the company cannot pursue state-level incentives and as such has requested consideration of a PILOT to help overcome some of these obstacles.

The Company is seeking a 25% PILOT – 75% abatement on a \$45.8 million project which will spur 75 FTEs and 75 PTEs with an annual payroll of \$4,436,625. It will also add 21 indirect jobs with an additional payroll of \$850,000. It is projected that over a ten-year period, the project will generate \$59.9 million in new sales tax revenue for the Parish and \$62.7 million in new state sales tax revenue. For Project Mack, the Benefit Cost Ratio is 11.83, indicating the project would have a 1,183% “rate of return” for St. Tammany Parish if the abatement is granted for a 10-year period.

Nickens and Stratis fielded questions from committee members. Mike Gambrell, Chairman of the Finance Committee, stated the committee voted to recommend approval by the Board of Commissioners. Nickens also stated the required letter of support from Fire District 2 had been received.

Al Hamauej, seconded by Mike Gambrell, motioned to approve the preliminary resolution for Project Mack. A roll call vote was taken. All Commissioners present were in favor. Absent from the vote were Commissioners Joan Coffman, Bruce Javery, and Marty Mayer. Motion passed.

OLD BUSINESS - None

Vice President Mike Tillman stated he had a meeting to attend and handed the gavel to Treasurer, Mike Gambrell at 3:40 pm.

EXECUTIVE UPDATE

Masingill noted the new entrepreneurial program was highlighted in the latest edition of the Edge of the Lake Magazine, and Cenzo Caronna will update on events in the works later in the meeting.

Masingill referred to a resolution of appreciation prepared for Abigail Chascin and submitted the resolution for the record. *Mike Gambrell, seconded by Eric Schouest, motioned to approve the resolution. All were in favor. Motion passed.*

Wadsworth Property & I-12

Masingill stated we continue the work to reposition the parish as a logistics corridor with monthly meetings between STC, developers, and relevant stakeholders providing project management and coordination during the site development process. Certification through LED’s Certified Sites program is moving forward on the Wadsworth parcel. The boundaries of the certified site have been expanded to the west and will now be over 180 acres. Cleco has been brought to the table, and we are working through establishing agreements for them to provide economic development marketing assistance. Work is also being done to lay the groundwork for the expansion of utility and sewer capacities at the site. This project is projected to be highlighted at the Site Selectors Guild annual conference in March 2023.

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Project Pipeline

Masingill noted thirty-eight current projects in the pipeline in various stages of expansion, attraction, and technical projects

Capacity Fee Reservation Council Ordinance | Department of Utilities Proposed Rate Increases

Masingill stated the Parish Department of Utilities maintain that in order to break even on creating new capacity, an ordinance is on the agenda to be heard at the November 3rd Council Meeting regarding the increase in water capacity reservation fee from \$2.35 per gallon to \$6.50 per gallon, and an increase in sewer capacity reservation fee from \$4.70 per gallon to \$12.50 per gallon. Combined increases add up to a \$4,780 per lot in a residential subdivision, which results in \$478,000 for a 100-lot subdivision. This represents a 270% increase from the current rates, which have not been increased since 2010.

Startup Northshore

Masingill stated the response to the first cohort was a remarkable success with 16 solid participants in the program. Vincenzo Caronna noted the inaugural IDEAINstitute Northshore 10-week accelerator program is well underway with a diverse cohort of entrepreneurs from the Northshore. IDEAINstitute Northshore's Coach Week will be October 31 – November 3, which is a week-long facilitated mentorship opportunity for founders in the current IDEAINstitute Northshore cohorts to meet one-on-one with local thought leaders, industry experts, and seasoned entrepreneurs. Caronna invited Commissioners, or anyone in their network interested in volunteering as a coach, to mentor these homegrown startup founders. Anyone interested in assisting in this capacity should contact Cenzo at vcaronna@sttammanyinc.org to sign up.

Caronna noted the upcoming IDEAINstitute Northshore events:

IDEAINstitute Northshore Cohort Meetup, Thursday, October 27, from 5:30 p.m. – 8:00 p.m. at the Covington Beer Garden.

IDEAINstitute Fall 2022 Pitch Night hosted by The Idea Village, Thursday, November 10, from 5:30 p.m. – 9:00 p.m. at The Idea Village in New Orleans. This event is the culmination of the IDEAINstitute Fall 2022 cohort and is a public event where select founders within this cohort will go on stage in front of a live audience and a panel of judges to share their company pitch and compete for a cash prize.

IDEAINstitute Northshore Cohort Meetup, Wednesday, November 16, from 5:30 p.m. – 8:00 p.m. The location is yet to be determined.

Business Development

Barry Albrecht with Strategic Location Service represented St. Tammany at the AUSA annual conference. 750 defense contractors and suppliers that support military operations attended the conference. Follow-up outreach will continue through Q1 2023.

Organizational and Administrative Update

Business & Technical Services Position Recruitment Update

Masingill reported the agreement with Jake and Sumit Credits is working well, as we continue to review and interview candidates for Jake's former role. Keith is stepping in to manage the land and sites responsibilities, and Kate is the internal point of contact for attraction and expansion projects.

State Treasurer's Office/CEA

Masingill stated the CEA and first quarter reporting had been submitted, which indicates the alignment with 2023 key performance indicators. Due to an increase in the collection of hotel/motel taxes, we also look

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forward to a disbursement from the state reserve fund. As such, the 2022 budget amendments and the 2023 budget proposal will include the additional revenue.

Masingill also noted the expansion of the accounting review services by collaborating with Griffin and Furman to review the six QuickBooks accounts on a monthly basis. Later this month, the firm will be in the office for a review of the books from January through September, followed by monthly reviews.

EXECUTIVE SESSION:

The Executive Session was deferred until the November 17 meeting.

ANNOUNCEMENTS

- Next meeting: 3:00-5:00 p.m., Thursday, November 27 | Slidell Municipal Auditorium Meeting Room | *Confirmed*

ADJOURN

Mimi Dossett, seconded by Bill Newton, motioned to adjourn the meeting at 4:49 pm. All were in favor. Motion passed.

Minutes reviewed and submitted by the STC Staff.