

RESOLUTION

NO. R-20-428

CITY HALL: December 17, 2020

BY: COUNCILMEMBER MORENO

SECONDED BY:

WHEREAS, Article 7, Section 21(F) of the Louisiana Constitution authorizes the Board of Commerce and Industry (“BCI”), with the approval of the Governor, to enter into 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, in 2016, Governor John Bel Edwards issued two Executive Orders – JBE 2016-26 and 2016-73 – that significantly altered the process for approving industrial ad valorem exemptions and granted municipalities the ability to approve exemptions within their jurisdictions and thereby avoid of the potential diversion of millions of dollars in needed tax revenue; and

WHEREAS, Executive Order JBE 2016-73, effective June 24, 2016, mandates that no contract granting an industrial tax exemption will be approved by the governor unless accompanied by resolutions from the parish governing authority and sheriff approving the project; and

WHEREAS, Executive Order JBE 2016-73 vests local governments with discretion to approve or deny industrial tax exemptions; and

WHEREAS, the BCI responded to the Governor’s executive orders by promulgating revised rules regulating ITEP applications during two separate rounds of rulemaking – one in 2017 and another in 2018 –which are now codified at Title 13, Part I, Chapter 5 of the Louisiana Administrative Code; and

WHEREAS, the City of New Orleans adopted Ordinance Cal. No.32,472 on December 20, 2018 establishing the general review process, procedure, and approval for participation in the Industrial Ad Valorem Taxation Program (ITEP); and

WHEREAS, Ordinance Calendar No. 32,472 provides that the Council shall disfavor and reject any application that fails meet to meet four criteria:

1. The business is located in a distressed region, an Enterprise Zone, or an Opportunity Zone;
2. The job created as a result of the capital project must meet the job and payroll requirements for eligibility for the Louisiana Quality Jobs Rebate program;
3. The applicant Project demonstrates good faith efforts to comply with Section 70-499 of the Code of the City of New Orleans; and
4. Construction on the capital Project for which a tax exemption is being sought has not commenced prior to submitting for approval from the New Orleans City Council; and

WHEREAS, Ordinance Calendar No. 32,472 goes on to provide that the Council *may* – but need not – approve those projects that satisfy the above criteria; and

WHEREAS, Ordinance Calendar No. 32,472 directed the Office of Economic Development to promulgate rules effectuating the intent of the ordinance, which were approved by the Council on April 25, 2019 via Resolution R-19-164 (effective May 19, 2019) establishing additional rules and procedures for ITEP applicants, including the creation of an ITEP review committee to make initial recommendations on ITEP requests; and

WHEREAS, **The Folger Coffee Company** (the “Applicant”) initiated **ITEP** Application 2019-0392 in October 2019 (attached as Exhibit A along with the report of the ITEP review committee attached as Exhibit B); and

WHEREAS, Application 2019-0392 sought an exemption associated with the cost of capital acquisitions (equipment) at its industrial facility located at **14601 Old Gentilly Road** to expand operations by adding new roasters, new flavored coffee equipment, new packaging equipment, new coffee bean pre-treatment equipment, and by upgrading labeling and bar code scanning equipment, including roasters, blowers piping, palletizing equipment, bins, scanners, and conveyors (the “Project”); and

WHEREAS, the Project was commenced in October 2019 with a scheduled completion in April of 2021; and

WHEREAS, the Applicant secured approval from the BCI on November 13, 2020; and

WHEREAS, the Project, during construction, is expected to create 140 construction jobs with a payroll cost of \$5.6 million; and

WHEREAS, the Project is also expected to result in 5 permanent jobs with an estimated annual payroll of \$245,000; and

WHEREAS, the LED estimates that the Project will result in \$6,219,495 in foregone tax revenue over 10 years, while the Assessor's Office estimates the 5-year value of the exemption at \$11,661,865; and

WHEREAS, the COVID-19 pandemic has devastated the tourism-based economy of New Orleans and caused an unprecedented budgetary crisis, resulting in significant revenue shortfalls, citywide reductions in public services, and – most devastatingly – the furlough of City employees; and

WHEREAS, the City Council finds that in the current budgetary climate, the need for immediate tax revenue to bolster the City's devastated finances significantly outweighs the ancillary economic benefits articulated in the Application;

THEREFORE, BE IT RESOLVED, That the Council of the City of New Orleans, in accordance with its authority under Executive Order JBE 2016-73, hereby **DISAPPROVES AND REJECTS** Application 2019-0392 in light of the unprecedented financial crisis facing the City of New Orleans, finding that the benefits described in the Application are insufficient to outweigh the dire need for tax revenue during these perilous financial times.

BE IT FURTHER RESOLVED, That the City Council expressly finds that Ordinance Cal. No. 32,472 and Resolution R-19-164 do apply to Application 2019-0392. Application 2019-0392 does not satisfy two of the four the criteria set forth in the City's ITEP ordinance, as more fully set out in Exhibit B. This non-compliance is an alternative basis for denying the application. As noted in the preceding paragraph, however, the City Council's denial of the application is based upon unprecedented and unforeseen financial exigencies, irrespective of any non-compliance with the criteria articulated by the City. The reasons articulated in the preceding paragraph should be interpreted as a distinct, independent, and entirely severable basis for denying the Application.

BE IT FURTHER RESOLVED, That a copy of this resolution shall be forwarded to Board of Commerce and Industry and the Louisiana Department of Economic Development.

THEREFORE, 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.

THE FORGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, AND RESULTED AS FOLLOWS:

YEAS:

NAYS:

ABSENT:

AND THE RESOLUTION WAS ADOPTED.



CITY OF NEW ORLEANS

Office of Economic Development
1340 Poydras Street • Suite 1800 • New Orleans, Louisiana 70112

Industrial Tax Exemption Review Committee Review

CITY OF NEW ORLEANS ~ MAYOR'S OFFICE OF ECONOMIC DEVELOPMENT

Wednesday, December 2, 2020

CONSIDERATION: ITE Application #2019-0392
Property Address: 14601 Old Gentilly Road
Company: The Folger Coffee Company
Represented by: Kim Wallet
District E / Cyndi Nguyen, Orleans Parish
Initial 5 Year Request / Capital Acquisitions (Equipment/Personal Property)

PREPARED BY: Tracey Jackson, Industrial Tax Exemption Administrator
Mayor's Office of Economic Development
1340 Poydras Street, 18th Floor, Suite 1800
New Orleans, LA 70112

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INDUSTRIAL TAX EXEMPTION (ITE) REPORT:

I. PROJECT DESCRIPTION

The Folger Coffee Company; Council District E; Opportunity Zone; The Folger Coffee Company plans to expand its operations by adding new roasters, new flavored coffee equipment, new packaging equipment, new coffee bean pre-treatment equipment, and by upgrading labeling and bar code scanning equipment. Equipment associated with these projects include the purchase and installation of roasters, blowers, piping, palletizing equipment, bins, scanners, conveyors.

II. PROJECT ENROLLMENT

Advance Note Filed: October 2019
Application Filed: October 2019
Project Dates: October 2019 ~ April 2021
Board Approved: November 13, 2020

Projected construction completion: April 2021
Projected effective date of the tax exemption: July 31, 2021
Projected 5 year period beginning August 1, 2021 through July 31, 2026

III. CAPITAL INVESTMENT

The cost of capital acquisitions (equipment) for 14601 Old Gentilly Road is reported as followed:

- The estimated grand total of equipment purchased= \$64,325,000

IV. OTHER FINANCIAL RESOURCES

Additional Tax Breaks and Financial Incentives pursued by applicant:

- Quality Jobs Contract - 20100720

V. VALUE OF TAX ABATEMENT

- The amount of ad valorem (property) taxes paid on this property for the year prior to construction (2019) approximately: \$2,106,186.64
- Per the Assessor's Office, the estimated cumulative 5-year deferred building assessment is valued at \$41,166,900 and total savings estimated at \$6,219,495 (General Fund COST / RTA recipient savings); Value based on the property's post-projected assessed value of \$22,174,250
- Per LED, the estimated 10 year tax exemption is value at \$11,661,865
- Applicant's Property Tax Status as confirmed by the Assessor's Office: "up to date"

(See tax information on pages 7-8)

VI. HIRE NOLA (\$70-499)

Office of Workforce Development's Validation Report confirms compliance.

(See summary on page 10)

VII. JOBS AND PAYROLL IMPACT (as defined by LA Quality Jobs Program standards)

Estimated Jobs reported to LED:

- # of existing jobs prior to project: 401
- # of permanent new direct jobs created: 5
- new direct jobs payroll: \$245,000
- existing jobs retained: Yes; 673
- # of construction jobs created: 140
- construction jobs payroll: \$5,600,000

Permanent new jobs information:

- Yes - 51 or more full-time employees state-wide prior to the start date of the contract /Creating at least 15 new direct jobs with new direct job annual payroll of at least \$675,000
- 5 - # of new full-time jobs (30+hours/week)
- 5 - new jobs created include basic healthcare
- 5 - # of new full-time jobs creating pay at \$18/hour or more

*NOTE: Jobs and payroll data is estimated and will be subject to annual compliance verification.

VIII. NOLABA IMPACT MODEL / COST BENEFIT ANALYSIS

Estimated ITE value according to NOLABA Impact Study based on market assessment:

- General Fund Net Impact Direct 5 Year Value (BENEFIT): -\$4,303,913
- Local Incentive Value 5 Year Value (COST): \$6,004,793
- Benefit-Cost Ratio = -0.7x (negative)
- The anticipated project cost (local incentive value) to the City of New Orleans outweighs the anticipated project benefit (general fund impact) to the City of New Orleans, thus yielding a negative impact.
- This project generates minimal new taxable sales and a handful of new jobs (5 jobs). There is not enough new revenue to offset the ITE amount. Utility costs are not expected to increase (there was an overcharge in 2019 which has since been credited). Newly generated revenue from the project consist of indirect income from the new jobs, 20% of property tax increase, 20% of annual taxable sales, and 20% of equipment sales taxes with the ITE making up the other 80% of those values. The property's taxable market value increased from approximately \$92.9M to approximately \$147.8M, an increase of 159%.

(See summary on page 9)

IX. OED'S ITEP PROJECT ASSESSMENT SUMMARY

FULLY COMPLIANT WITH LOCAL COUNCIL CRITERIA - No

Project fails to meet the council's 3rd criteria which is as followed: "Jobs created as a result of the capital project meet the job and payroll eligibility requirements for the Louisiana Quality Jobs Rebate program"; a minimum of 15 jobs were not created (5 jobs created) and

Project also fails to meet council's 4th criteria which is as followed: "Construction on the capital Project for which a tax exemption is being sought has not commenced prior to submitting for approval from the New Orleans City Council"; application submitted for approval November 16, 2020 and project commencement October 2019

FULLY COMPLIANT WITH STATE CRITERIA - Yes

Board Approval Letter confirming compliance with the following state rules (see pg. 12):

✓	Classified Manufacturer as identified by a NAICS code that begins with 31, 32 or 33
	A commitment to job creation baselines
	No replacement capital
	A Cooperative Endeavor Agreement between the state and applicant (Exhibit A); a legal commitment to remain compliant with performance commitments
	Advance notification of intent to apply for tax exemption filed with the LED Office of Business Development (OBD) prior to the beginning of construction or installation of facilities on all projects for tax exemption (except as provided in §505)

(See full summary on page 13)

X. ITE REVIEW COMMITTEE RECOMMENDATION

The ITEP Review Committee unanimously voted against this project based upon its failure to comply with 2 out of 4 of the council's local criteria (job and payroll requirements as defined by the Quality Jobs Program and project commencement). With that, the committee will recommend **disapproval** of the tax exemption.

0 Approved / 4 Disapproved/ 0 Abstained

➤ **NOTICE OF INTENT**



LATOYA CANTRELL, MAYOR
CITY OF NEW ORLEANS

CITY OF NEW ORLEANS

Office of Economic Development

1340 Poydras Street • Suite 1800 • New Orleans, Louisiana 70112 • (504)658.4200

INDUSTRIAL TAX EXEMPTION PROGRAM (ITEP)

"NOTICE OF INTENT"

Name of Applicant: The Folger Coffee Company

ITEP#: 20190392-ITE

Type: Addition

Address: 14601 Old Gentilly Road

The New Orleans City Council shall consider requests for Industrial Tax Exemption for projects that meet the following criteria
(see New Orleans City Council Ordinance No. Calendar No. 27,944):

ITEP COUNCIL CRITERIA

The Business is located in a distressed region - which is defined as a census tract block group that is below the state median per capita income, based upon the latest federal decennial census; or an Enterprise Zone; as defined by the State; or an Opportunity Zone, as defined by State.

That the applicant Project demonstrates good faith efforts to comply with the Section 70-499 of the Code of the City of New Orleans.

The jobs created as a result of the capital project must meet the job and payroll requirements for eligibility for the Louisiana Quality Jobs Rebate program.

Construction on the capital Project for which a tax exemption is being sought has not commenced prior to submitting for approval from the New Orleans City Council.

ACKNOWLEDGEMENT AND CERTIFICATION

I hereby certify that I have read this document and that I am fully aware of what is required to comply with the local ITE council criteria.

I certify that this form has been submitted prior to project commencement.

I agree to provide documentation to substantiate compliance with criteria established by the New Orleans City Council ITE Ordinance Calendar No. 27,944.

I understand that providing incomplete, inaccurate, or untimely information may result in denial of tax exemption.

Applicant Signature: _____

Date: 7/21/2020

Title: Vice President, Tax

1300 PERDIDO STREET | SUITE 2E04 | NEW ORLEANS, LOUISIANA 70112
PHONE 504-658-4900 | FAX 504-658-4938

➤ **PRO FORMA**

PROJECTED REVENUE	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Projected Sales	\$ 1,000,168,661.25	\$ 1,019,406,333.61	\$ 1,032,783,678.95	\$ 1,043,783,671.57	\$ 1,054,221,508.29
PROJECTED OPERATING EXPENSES					
Wages & Fringe	\$ 295,178,513.05	\$ 301,125,417.28	\$ 305,275,530.75	\$ 312,862,515.99	\$ 318,070,066.49
Consulting, OS, & Staff Aug	\$ 4,862,419.12	\$ 4,839,396.42	\$ 4,786,432.23	\$ 4,785,745.36	\$ 4,746,735.01
Events & Sponsorships	\$ 2,194,164.70	\$ 2,183,775.71	\$ 2,159,875.64	\$ 2,159,565.69	\$ 2,141,962.29
Travel	\$ 1,335,203.84	\$ 1,328,881.89	\$ 1,314,338.10	\$ 1,314,149.49	\$ 1,303,437.38
Facilities	\$ 84,332,104.01	\$ 85,611,462.52	\$ 86,367,988.05	\$ 88,082,705.89	\$ 89,112,006.00
R&M	\$ 90,145,603.39	\$ 93,307,531.07	\$ 95,977,791.45	\$ 99,802,579.12	\$ 102,948,614.13
Taxes	\$ 31,698,065.75	\$ 31,547,981.01	\$ 31,202,707.89	\$ 31,198,230.22	\$ 30,943,922.12
Insurance	\$ 35,711,956.79	\$ 36,964,581.66	\$ 38,022,428.30	\$ 39,537,650.86	\$ 40,783,979.71
COVID-19 Costs	\$ 8,256,811.49	\$ 8,217,716.95	\$ 8,127,779.12	\$ 8,126,612.77	\$ 8,060,369.79
Other	\$ 15,085,281.23	\$ 15,013,855.09	\$ 14,849,537.74	\$ 14,847,406.80	\$ 14,726,380.19
Project Win Savings	\$ (8,593,823.64)	\$ (5,366,671.94)	\$ -	\$ -	\$ -
Plant Distribution	\$ 48,625,751.66	\$ 48,879,472.48	\$ 48,827,962.10	\$ 49,309,164.71	\$ 49,396,300.08
Plant Administrative	\$ 7,632,376.64	\$ 7,786,144.65	\$ 7,893,453.37	\$ 8,089,628.66	\$ 8,224,279.34
Pre-Production	\$ 52,332,974.41	\$ 36,614,257.76	\$ 25,296,220.97	\$ 19,435,359.32	\$ 17,164,393.87
Total Projected Operating Expenses	\$ 668,797,402.44	\$ 668,053,802.54	\$ 670,102,045.72	\$ 679,551,314.89	\$ 687,622,446.41
Projected Operating Profit	\$ 331,371,258.81	\$ 351,352,531.07	\$ 362,681,633.23	\$ 364,232,356.69	\$ 366,599,061.88
Projected Depreciation	\$ 164,676,481.94	\$ 181,451,475.47	\$ 190,551,020.07	\$ 190,268,411.42	\$ 190,895,477.17
NET PROJECTED INCOME before tax	\$ 166,694,776.88	\$ 169,901,055.60	\$ 172,130,613.16	\$ 173,963,945.26	\$ 175,703,584.71

Notes:

1. The above table is a projection based on the best available information at this time.
2. The information within this table should be considered confidential in nature and not dissiminated without the prior written approval of the J.M. Smucker Company.
3. The Fiscal Year for the J.M. Smucker Company is 5/1 - 4/30.

➤ **ASSESSOR'S OFFICE VALUE INFORMATION**

Cumulative 5-year deferred building assessment (\$) and projected tax savings (\$6,219,495) for
ITE #20190392, The Folger Coffee Company, 14601 Old Gentilly Road
(Project reported to commence in October 2019 and is estimated to conclude April 2021)

(2019) Pre-construction	Fair Market Value	Asmt
	92,939,130	13,940,870

Post-construction	Fair Market Value	Asmt	Tot 5-year Deferred Asmt
	147,828,290	22,174,250	41,166,900

Assessor's Tax Savings Formula:

Post-Construction PP Asmt – Pre-construction PP Asmt) X 5 years = Total 5-year Deferred
ASMT X Millage Year prior to Construction [2019 – 0.15108] = \$
(22,174,250 - 13,940,870 = 8,233,380) X 5 = 41,166,900 X .15108 = \$6,219,495

****These figures represent 2019 and post ITE values only. Expiration of other ITEs and the addition of the associated improvement or equipment values have not been taken into consideration.**

Lisa Ross, CLDA, RES
Orleans Parish Assessor's Office
City Hall - Room 4E01
1300 Perdido Street
New Orleans, LA 70112
Phone: 504-658-1324
Fax: 504-658-1353
lcross@orleansassessors.com

BUREAU OF TREASURY TAX INVOICE INFO

CITY OF NEW ORLEANS • 2010 Business Personal Property Tax Bill



BUREAU OF THE TREASURY
1300 Perdido Street, Room 1W40
New Orleans, LA 70112



Property Location
14601 GENTILLY RD

Tax Bill No.
39P129602

Category

INVENTORY
FURNISHINGS
MACHINERY
TOTAL

Assessment

1,818,260
88,140
12,054,470
13,940,870



*****AUTO**MIXED AADC 700

T23 P1,8007

** Mark Belgia*
35-209, 000, 0000, 214630

FOLGER COFFEE CO., THE
1 STRAWBERRY LN
ORRVILLE, OH 44667-1241

Need to Correct your Mailing Address?

Please provide your authorization for a change of address **DIRECTLY** to your assessor. Any note written upon your bill stub, or separately, when sending your payment is NOT effective for that purpose. Use the form available at the assessor's website (www.nolaassessor.com) or call the assessor's office at 604-658-1300 for directions.

ONLY payments are processed at P O Box 60047 as shown on our payment stub.
Legal Process and other correspondence must be sent to 1300 Perdido St, Rm 1W40, New Orleans, LA 70112.

Interest accrues at 1% per month on all delinquent taxes. All funds tendered will be applied to satisfy taxes, to the extent possible, from the latest delinquency going backwards with the current tax last.

Tax Bill No.	39P129602	P/P Business Tax, If Paid Before February 1, 2019	2,106,186.64
		Tax, Int, Fees, If Paid During the Month of February 2019	2,127,248.51
		Tax, Int, Fees, If Paid During the Month of March 2019	2,148,310.37
		Tax, Int, Fees, If Paid During the Month of April 2019	2,169,372.24
		Tax, Int, Fees, If Paid During the Month of May 2019	2,180,434.11

DETAIL OF BILL

This bill reflects payments through 12/31/2018

Period	Type	Ref No.	Delinquency Date	Tax/Lien	Interest	City Fee	Collection Fee	Total
2019	BUSINESS P/P		2/1/2019	2,106,186.64				2,106,186.64

ATTENTION TAXPAYERS

Properties with delinquent original 2019 taxes after May 31, 2019 will become eligible for initial legal proceedings and costs. Delinquent taxes under review for adjustment by the assessor remain subject to legal proceedings and costs. Full payment when billed is the only means to avoid legal proceedings and costs. Tax refunds are available if a lower tax liability is later authorized.

For payment questions call 1-888-387-8027. Treasury's office in City Hall, Room 1W40, is open Monday through Friday from 8:00 AM through 5:00 PM.

Contact your assessor's staff at 658-1300 for questions on your assessed valuation, mailing name and address. Their office is in City Hall, Room 4E02, hours 8:30 AM - 4:00 PM from Monday through Friday.

Please make all checks payable to the City of New Orleans.
See reverse for how your tax dollars are spent.

ALWAYS RETURN this portion when paying by mail. Please ensure the City's return address appears in the return envelope window.

You may pay this bill online at www.nola.gov

2019 Business Personal Property Tax Bill

Tax Bill No.: 39P129602

Location: 14601 GENTILLY RD

Owner: FOLGER COFFEE CO., THE

1 STRAWBERRY LANE

ORRVILLE, OH 44667

TOTAL DUE BY: 1/31/2019	PAYMENT AMOUNT ENCLOSED
\$ 2,106,186.64	

Any partial payment will be first applied to delinquent taxes before those for the current year.

All payments must be made in U. S. funds and drawn on a U.S. financial institution.



City of New Orleans - Property Tax Payment
P O Box 60047
New Orleans, LA 70160-0047

139P1296020201920000502106186641

COST-BENEFIT ANALYSIS



1250 Poydras Street, Suite 2150
New Orleans, LA 70113
504.934.4500 www.nolaba.org

MEMORANDUM

DATE: November 20, 2020

TO: Tracey M. Jackson, Office of Economic Development, City of New Orleans

FROM: Alice M. Allen, New Orleans Business Alliance, Economic Development Consultant

RE: ITEP Application # 2019 0392; Address: 14601 Old Gentilly Road

"The New Orleans Business Alliance (NOLABA) project assessment system, developed for the City of New Orleans, was designed to estimate the impact of potential new businesses and new developments on the City. It contains three modules: an economic impact, a real estate impact, and a fiscal impact. Each module estimates marginal changes in particular variables based on current conditions in the City.

The information and observations contained in the project assessment system report are based on present knowledge of the components of development, and of the current physical, socioeconomic and fiscal conditions of the affected areas. Every reasonable effort has been made to ensure that the data contained in the study reflect the most accurate and timely information available. The study is based on estimates, assumptions and information from various research efforts. The analysis is intended only to aid the City in making policy decisions relative to its economic development strategy. No warranty or representation is made that any of the projected values or results contained herein will be achieved."

Per a review of the applicant's Industrial Tax Exemption Program (ITEP) Cost/Benefit Analysis Form for the above-referenced project, a summary of projections calculated using NOLABA's project assessment system is presented below. The ratio of the project's General Fund Net Impact Direct (A) to the project's Total Local Incentive Value (D) is -0.7x. This ratio indicates that, during the ITEP period, the anticipated project cost to the City of New Orleans outweighs the anticipated project benefit to the City of New Orleans.

Project Impact Summary	Five Year Total	Five Year Annual Average
A. General Fund Net Impact Direct ¹	-\$4,303,913	-\$717,319
B. Direct Property Tax Paid to City of New Orleans ²	\$10,530,933	\$2,106,187
C. Total Direct Sales Tax Paid to City of New Orleans ¹	\$443,701	\$73,950
D. Total Local Incentive Value ²	\$6,004,793	\$995,119

If you have any questions or require additional information, please contact NOLABA via email:

Alice Martin Allen, Economic Development Consultant, New Orleans Business Alliance
Email: alicefmartin@gmail.com


¹ These figures are intended only as a general guidance as to how the City of New Orleans could be impacted by the selected development. The figures are based on the current economic structure and tax rates of the City of New Orleans and various operating and financial assumptions.

² These figures reflect the City of New Orleans millage rates for the year prior to construction and do not take into account any special taxing district or security district fee or millage.

➤ **HIRE NOLA VALIDATION FORM**



**HIRE NOLA
OFFICE OF WORKFORCE DEVELOPMENT
Contract Routing Form**

HIRE NOLA			
• BID#: RTA#2019-0392		Project: 14601 Old Gentilly	
Date: 11/19/2020		Department: Economic Development	
Contract Value: \$ 64,325,000		Project Manager: Tracey Jackson	
Hire NOLA GFE Participation Goals			
Hire NOLA GFE Attestation: Document Received			
Hire NOLA Manpower Utilization Form: Document Received			
Hire NOLA Local Hire Plan: Document Received			
Hire NOLA Compliance Review			
		The bidder/respondent has demonstrated sufficient good faith efforts and submitted all required Hire NOLA documentation in their post bid package.	
Hire NOLA Participation Summary			
Contractor	Scope of Work	Contract Value	Number of New Hires
N/A	Plant Addition	\$64,325,000	5

If you have any questions or require additional information, please contact me via e-mail or telephone.
Trey Tapp –

Tremon.Tapp@nola.gov

Assumptions.

Investment included on ITEP Application

\$64,325,000

Property Life

20 years

20190392-ITE

Asset Year	Louisiana Tax Commission (LTC) Composite Multiplier Table 2503. D.	Estimated Fair Market Value of Property Included on ITEP Application (Investment * LTC Composite Multiplier)
1	96%	\$ 61,752,000.00
2	96%	\$ 61,752,000.00
3	96%	\$ 61,752,000.00
4	93%	\$ 59,822,250.00
5	88%	\$ 56,606,000.00
6	85%	\$ 54,676,250.00
7	81%	\$ 52,103,250.00
8	78%	\$ 50,173,500.00
9	74%	\$ 47,600,500.00
10	71%	\$ 45,670,750.00
11	64%	\$ 41,168,000.00
12	60%	\$ 38,595,000.00
13	56%	\$ 36,022,000.00
14	53%	\$ 34,092,250.00
15	48%	\$ 30,876,000.00
16	46%	\$ 29,589,500.00
17	41%	\$ 26,373,250.00
18	37%	\$ 23,800,250.00
19	35%	\$ 22,513,750.00
20	33%	\$ 21,227,250.00
21	32%	\$ 20,584,000.00

Note: The Louisiana Tax Commission Table 2503.A. categorizes Food Processing Equipment as having an average economic life of 20 years.

➤ **DEPRECIATION SCHEDULE**

• **BOARD APPROVAL LETTER**



John Bel Edwards
Governor

Don Pierson
Secretary

November 16, 2020

Mayor LaToya Cantrell
Attn: Ms. Tracey M. Jackson
City of New Orleans
1340 Poydras Street, 18th Floor
New Orleans, LA 70112

RE: The Folger Coffee Company
Board of Commerce and Industry Approval Notice ("Notice")
Tax Exemption Application #20190392-ITE - \$64,325,000.00

Dear Mayor Cantrell:

This Notice is being provided to you pursuant to the Rules of the Board of Commerce and Industry ("Board"), effective August 20, 2018, specifically Title 13 of the Louisiana Administrative Code, §503(H)(1) ("Rule").

Pursuant to this Rule, the Notice is hereby given that the above-referenced Tax Exemption Application for The Folger Coffee Company, attached hereto along with the corresponding Exhibit A, was approved by the Board on Friday, November 13, 2020. Local governmental entities have thirty days to determine whether to take further action on the approval in accordance with the Rule and may provide the necessary notice to LED, timely, using the attached Notice of Action. Any local governmental entity that timely notifies LED that the above-referenced application has been placed on the agenda of a public meeting will have an additional thirty days to make a final determination in accordance with the Rule. If the local governmental entity takes no action or does not provide timely notice of action to LED within the delays provided by the Rule, then the application shall be deemed approved by that entity.

Sincerely,

A handwritten signature in blue ink that reads "Kristin Cheng". The signature is fluid and cursive.

Kristin Cheng
Program Administrator
Industrial Tax Exemption Program
(225) 342-2083
ITEP@la.gov

c: Assessor, Orleans Parish

➤ **ITE PROJECT ASSESSMENT SUMMARY**

CITY OF NEW ORLEANS

Mayor's Office of Economic Development

INDUSTRIAL TAX EXEMPTION PROJECT ASSESSMENT SUMMARY

Applicants seeking local approval shall adhere to the criteria and rules promulgated by the Louisiana Board of Commerce and Industry (Executive Order JBE 2016 – 26 and 73), the New Orleans City Council (Ordinance Calendar No. 27,944) and the Mayor's Office of Economic Development (Resolution No. R-19-164).

ITEP#:2019-0392 Address:14601 Old Gentilly Road Type: Plant Additions

PROGRAM CRITERIA		COMPLIANT (✓)		
		YES	NO	N/A
Location	The Business is located in one of the following: <ul style="list-style-type: none"> A Census tract below state median per capita income <u>An Enterprise Zone</u>; Census Tract 17.51 / Block Group 1 <u>An Opportunity Zone</u> 	✓		
Local Hire	Project demonstrates good faith efforts to comply with Sec. 70-499 Local Hire Ordinance, such that: <ul style="list-style-type: none"> In 2019: 45% of work hours on capital projects will be completed by local workers and 25% of work hours will be completed by local disadvantaged workers In 2020 and beyond: 50% of work hours on capital projects will be completed by local workers and 30% of work hours will be completed by local disadvantaged workers 	✓		
Jobs and Payroll	Jobs created as a result of the capital project meet the job and payroll eligibility requirements for the Louisiana Quality Jobs Rebate program, such that: <ul style="list-style-type: none"> 50 or fewer employees state-wide prior to the start date of the contract, an employer must create at least 5 new jobs / annual payroll ≥ \$225,000 <u>51 or more employees state-wide prior to the start date of the contract, an employer must create at least 15 new jobs / annual payroll ≥ \$675,000</u> These jobs must: <ul style="list-style-type: none"> 5 - be full-time (30+ hours/week) 5 - pay at least \$18/hour 5 - include a basic healthcare plan after 90 days 		✓	
Project Commencement	Construction on the capital Project for which a tax exemption is being sought has not commenced prior to submitting for approval from the New Orleans City Council; <u>project commenced Oct 2019/City received application 11/17/20</u>		✓	

FULLY COUNCIL CRITERIA COMPLIANT: YES OR NO

OTHER PROJECT DETAILS SUBJECT TO OED REVIEW AND CONSIDERATION		RESULTS (✓)		
		YES	NO	N/A
Applicant has submitted "Notice of Intent" to OED acknowledging comprehension of all local council criteria prior to project commencement; <u>submitted 10/22/20; a year after project commenced in Oct 19'</u>			✓	
Project yields positive Cost Benefit Ratio (projected ad valorem revenue exceeds local tax incentive value); <u>-0.7x; newly generated revenue did not offset cost of exemption</u>			✓	
Depreciation Schedule estimates an economic life of the property and/or capital expenditures that is/are equal or greater than 15 years		✓		
Compliant on past ITE projects; <u>concerns regarding tax payment status /Assessor's Office confirms that accounts are current / first time undergoing local processing; 1st Folgers applications subject to local review</u>				✓