

CADDO PARISH COMMISSION

505 TRAVIS STREET, GOVERNMENT PLAZA

PUBLIC NOTICE

ECONOMIC DEVELOPMENT COMMITTEE AGENDA

September 20th, 2022

12:00 pm

1. ECONOMIC DEVELOPMENT COMMITTEE ROLL CALL:

Mario Chavez, Chair

Stormy Gage-Watts

Steven Jackson

Lyndon B. Johnson

Ed Lazarus

John-Paul Young

Roy Burrell

John E. Atkins, President

2. INVOCATION:

3. PLEDGE OF ALLEGIANCE:

Veterans and active military members saluting during recitation of the Pledge of Allegiance would be appropriate, should you wish to do so.

4. AGENDA ADDITIONS:

5. PUBLIC COMMENTS:

Citizens who wish to address the Committee please fill out a comment card located in the chamber foyer, and return to the Chairman or the Clerk of the Commission. Citizens may also fill out & submit a [COMMENT CARD ONLINE HERE](#) prior to the meeting. Individual comments are limited to 3 minutes

6. NEW BUSINESS:

- 6.I. Make Recommendation Regarding Approval Of Ternium USA To Participate In The ITEP Program At 2500 Ron Bean Blvd., Shreveport
(Economic Development Committee)

Documents:

ITEP LOCAL NOTICE OF ACTION - TEMPLATE.PDF
EXHIBIT A - TERNIUM USA INC 20210264.PDF
TERNIUM USA 20210264-ITE APPLICATION.PDF
ITE NOTICE OF BOARD APPROVAL LETTER - PARISH.PDF

6.II. Discuss Appropriation Process And Funding For Economic Development Requests
Regarding The 2023 Budget Cycle

7. ADJOURN:

NOTICE OF ACTION

Notice is hereby given to the Louisiana Department of Economic Development (“Department”) of the following action by **[INSERT ENTITY NAME]** pursuant to §503(H)(1) of the Industrial Tax Exemption Program Rules:

_____ Industrial Tax Exemption Application #20210264-ITE has been placed on the agenda for a public meeting of **[INSERT ENTITY NAME]**, notice of which is attached hereto, thus hereby requesting an additional 30 days to take action on the Application.

_____ **[INSERT ENTITY NAME]** has conducted a public meeting on Industrial Tax Exemption Application #20210264-ITE and voted to **APPROVE** the Application.

_____ **[INSERT ENTITY NAME]** has conducted a public meeting on Industrial Tax Exemption Application #20210264-ITE and voted to **DENY** the Application.

NOTICE OF THIS ACTION MUST BE GIVEN TO THE DEPARTMENT WITHIN THREE BUSINESS DAYS

Recommended methods of sending notice:

1. Via email to ITEP@la.gov
2. Via facsimile transmission to (225) 342-0142; Attn: Kristin Cheng
3. Via overnight delivery with tracking to:

Louisiana Economic Development
c/o Kristin Cheng
617 N. 3rd St.
11th Floor
Baton Rouge, LA 70802

CONTRACT FOR EXEMPTION OF AD VALOREM TAXES

(Advance Notification # 20210264)

EXHIBIT "A"

AGREEMENT

among

LOUISIANA DEPARTMENT OF ECONOMIC DEVELOPMENT

and

TERNIUM USA, INC.

EXHIBIT "A" AGREEMENT

This Agreement, as of the Effective Date, defined herein, is made among:

LOUISIANA DEPARTMENT OF ECONOMIC DEVELOPMENT ("LED"), an agency of the State, represented herein by the Secretary of the Department ("Secretary"); and

TERNIUM USA, INC. ("Company"), a Delaware corporation in good standing, and authorized to do business in the State, represented herein by the undersigned duly authorized officer.

(The above are collectively referred to as "Parties" and singularly referred to as "Party".)

WHEREAS, Article VII, Section 21 (F) of the Louisiana Constitution of 1974 provides that the Louisiana Board of Commerce and Industry ("Board"), with the approval of the Governor of the State of Louisiana ("Governor"), may enter into contracts for the exemption from 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 is in the best interest of the State; and

WHEREAS, the Governor has provided the terms and conditions pursuant to which he will approve contracts for the Industrial Tax Exemption ("Exemption"); and the Board has promulgated Rules pursuant to which it will approve contracts, all in accordance with Article VII, Section 21(F); and

WHEREAS, Company will expand its value-added steel products Manufacturing Establishment located in Caddo Parish with the acquisition and installation of a new conventional Continuous Painting Line to produce non-exposed Construction and Architectural end products for the Metal Building Industry that will increase production capacity which includes the construction of a new main building, auxiliary and utility building rooms, main line equipment supply, overhead cranes, MV transformers, switchgears, cooling tower, and compressors (the "Project"), and new direct jobs and payroll as hereinafter provided will result from the Company's investment in the Project; and

WHEREAS, Company has filed an Advance Notification for the Project in accordance with the Rules of the Board in order to obtain an Exemption from ad valorem taxes in Caddo Parish; and

WHEREAS, in exchange for the Exemption, Company agrees to create or maintain such Jobs and Payroll (defined herein-below) and to the other terms and conditions of this Agreement; and

WHEREAS, in accordance with the Board Rules, this Agreement shall be Exhibit A to the Exemption Contract(s) and shall include the number of Jobs and Payroll to be created and/or retained at the Manufacturing Establishment and the term of the Exemption; and

WHEREAS, the Secretary projects that the return on investment to the State and Local Governmental Entities from the Manufacturing Establishment will exceed the benefit of the Exemption as set forth in the terms hereinafter provided, considering a multitude of factors, including but not limited to the following: Capital Expenditures, direct payroll tax revenue,

indirect payroll tax revenue, and additional indirect tax revenue streams such as property tax, sales tax, other payroll tax, and other local taxes associated with Jobs supporting the Project; and

WHEREAS, this Agreement serves a public purpose and is in the public interest of the State and its citizens;

THEREFORE, IT IS AGREED:

ARTICLE I. DEFINITIONS

Section 1.01 Definitions

“Advance Notification” means the notification of intent to apply for the Exemption filed in accordance with Section 503 of the Rules.

“Agreement” means this Exhibit “A” Agreement, and any amendments or modifications thereto.

“Assignment” means to transfer or assign this Agreement, transfer or assign any of a Party's rights hereunder, or delegate any of a Party's duties hereunder, and **“Assignee”** means the entity to which such transfer or Assignment is made in accordance with this Agreement.

“Basic Health Benefits Plan” means a basic health benefits plan for the individuals employed in new direct Jobs in this State which shall be determined by LED to be in compliance with federally mandated healthcare requirements or, if no federally mandated healthcare requirements exist, shall provide coverage for comprehensive healthcare coverage including basic hospital and physician care.

“Board” means the Louisiana Board of Commerce and Industry.

“Capital Expenditures” means the cost associated with a new Manufacturing Establishment or an addition to an existing Manufacturing Establishment, including purchasing or improving real property and tangible personal property, whose useful life exceeds one year and which are used in the conduct of business.

“Cessation of Operation” means failure of the Manufacturing Establishment to engage in manufacturing and provide finished product(s) into the stream of commerce, except that the Secretary shall have the discretion to determine whether and the duration for which a temporary suspension of Operation due to maintenance, equipment breakdowns, or turnarounds does not constitute a Cessation of Operation.

“Certification of Compliance” means a sworn verification of compliance with the Company Objectives under this Agreement, signed by a key employee of the Company (executive or senior level officer, project site manager, or equivalent rank).

“Company” means Ternium USA, Inc., a Delaware corporation duly authorized to do and doing business in Louisiana, and its successors and permitted assigns.

“Company Affiliate” means any business entity that controls or is controlled by the Company or by another business entity that controls the Company, including a parent or subsidiary of the Company, or another subsidiary of a parent of the Company. Control means exercising authority over the management, business policies, and operations of the business entity.

“Company Default” is defined in Section 6.01(B).

“Company Objectives” means (1) the acquisition, expansion, construction, equipping, and Operation of the Manufacturing Establishment, (2) the making of anticipated Capital Expenditures; (3) the creation and maintaining of Required Annual Jobs and (4) the payment of Required Annual Payroll.

“Contract Monitor” is defined in Section 7.01(A).

“Default” has the meaning set forth in Article VI.

“Default Payment” means the amount of money, if any, paid by Company to the Local Governmental Entities in the event of a Default as provided in Article VI.

“Effective Date” is the date of execution of this Agreement by the Secretary.

“Exemption” means the exemption from ad valorem taxation provided for manufacturing establishments in Article VII, Section 21(F) of the Louisiana Constitution of 1974 with specific regard to the Project.

“Exemption Contract(s)” means the contract(s) entered into by the Board, the Company, and approved by the Governor memorializing the Exemption for the Project and specifying the terms thereof and to which this Agreement shall be Exhibit A to each such contract.

“Exemption Period” means the number of years of Exemption provided in accordance with the Rules and further set forth in Section 4.01(C), and shall begin January 1 or, if the Project is located in Orleans Parish, beginning on August 1, of the first Project Year after which the Project becomes Operational or completes construction. The Exemption Period for the Project shall not be longer than 10 years—no more than 5 years initially and an additional 5 years if the Exemption is renewed.

“Force Majeure” means: (1) an act of God, an act of war, strike, or a natural disaster due to earthquake, landslide, fire, flood, tornado, tropical storm, or hurricane; (2) which is beyond the reasonable control of a Party to this Agreement; and (3) prevents the Party from performing its obligations hereunder.

“Governor” means the Governor of the State of Louisiana.

“ITEP” means the Industrial Ad Valorem Tax Exemption Program administered by LED to implement the exemption from ad valorem taxation provided for in Article VII, Section 21(F) of the Louisiana Constitution of 1974.

“Jobs” means positions of employment that are:

- (1) new (not previously existing in the State);
- (2) permanent (without specific term);
- (3) full-time (working a minimum of 30 hours or more per week);
- (4) employed directly by the Company, a Company Affiliate, or a Qualified Contractor;
- (5) based at the Manufacturing Establishment; and
- (6) filled by a United States citizen who is domiciled in Louisiana or who becomes domiciled in Louisiana within 60 days of employment; and
- (7) offering a Basic Health Care Benefits Plan.

Jobs shall not include:

- (1) jobs transferred to the Manufacturing Establishment from within the State by the Company, a Company Affiliate, or a Qualified Contractor, unless back-filled to result in a net job gain within the State;
- (2) jobs transferred from other Louisiana-based employment as a result of the Company, a Company Affiliate, or a Qualified Contractor acquiring a business operation or substantially all of its assets, unless back-filled to result in a net job gain within the State; or
- (3) jobs performing contract services for the State of Louisiana or any of its agencies.

“LED” means Louisiana Department of Economic Development.

“Legislature” means the Legislature of the State of Louisiana.

“Local Governmental Entities” with regard to Caddo Parish, means the parish governing authority, school board, and sheriff, as well as any municipality in which the Manufacturing Establishment is or will be located.

“Manufacturing Establishment” means the location for the Project, as described in the ITEP application for the Project, for the manufacturing of finished product(s) to be placed by Company into the stream of commerce.

“Operation” or “Operational” means the commercial utilization of the Manufacturing Establishment, if new, or of the addition, rehabilitation or restoration of the Manufacturing Establishment for which the Exemption is granted.

“Payroll” means payment by the Company, a Company Affiliate or Qualified Contractor to its employees for Jobs, exclusive of benefits and defined as wages under Louisiana Employment Security Law (La. R.S. 23:1472(20)), during a Project Year, except that with regard to Jobs employed directly by a Qualified Contractor, Payroll shall not include any fees, mark-up, profit margins or similar payments by the Company or a Company Affiliate to a Qualified Contractor.

“Project” means Company's acquisition or expansion, construction, improvement, equipping and Operation of the Manufacturing Establishment as further described in the Recitals.

“Project Year” means each twelve-month period, beginning on January 1 and ending on December 31, or, if the Project is located in Orleans Parish, beginning on August 1 and ending on July 31, of each year identified in Section 4.02(B).

“**Qualified Contractor**” means a business entity other than Company or Company Affiliate, acting pursuant to an agreement with the Company or Company Affiliate regarding the Project.

“**Required Annual Jobs**” is the number of Jobs required to be met by the Company pursuant to Section 4.02, during a Project Year.

“**Required Annual Jobs and Payroll**” refers, collectively, to Required Annual Jobs and Required Annual Payroll.

“**Required Annual Payroll**” is the amount of Payroll required to be met by the Company pursuant to Section 4.02 for Jobs.

“**Rule(s)**” mean the rules promulgated by the Board as Chapter 5 of Title 13 of the Louisiana Administrative Code.

“**Secretary**” means the Secretary of the Louisiana Department of Economic Development.

“**State**” means the State of Louisiana.

**ARTICLE II.
AUTHORITY**

Section 2.01 LED Authority

LED is granted authority under the provisions cited above to enter into agreements with public and private associations or corporations for a public purpose.

Section 2.02 Company Authority

A duly executed resolution or other evidence of the authority of the Company to enter into this Agreement and to carry out the commitments made herein, and the authority of the undersigned representative to execute this Agreement and any other documents required thereby on behalf of the Company, certified by the Secretary or other authorized representative of the Company, is attached hereto as Exhibit 1.

Section 2.03 Other Approvals

This Agreement is not effective until signed by all Parties.

**ARTICLE III.
REPRESENTATIONS**

The Parties have all the requisite power and authority to enter into this Agreement and to carry out the terms hereof; and the persons signing this Agreement have the authority to execute this Agreement as authorized representatives, and to bind the Parties to all the terms of this Agreement.

This Agreement has been duly authorized, executed, and delivered by the Parties and upon receipt of the approvals described herein will constitute a legal, valid, and binding obligation of the Parties, enforceable in accordance with its terms.

Parties have taken or will take all necessary and proper action to authorize the execution, issuance, and delivery of this Agreement and any other documents required by this Agreement, and the performance of its obligations under this Agreement.

The execution of this Agreement and any other documents required by this Agreement as well as the performance by the Parties of their respective obligations hereunder are within the Parties respective powers and will not violate any provisions of any law, regulation, decree, or governmental authorization applicable to them.

ARTICLE IV. OBLIGATIONS

Section 4.01 LED Obligations

(A) LED enters into this Agreement for the purposes of providing the terms and conditions for Company's receipt of the Exemption in the manner and for the purposes provided for by the Board and the Governor.

(B) Upon execution of this Agreement, LED will recommend to the Board that the Company receive the Exemption for the Project under the terms and conditions hereinafter set forth as required by the Rules, and this Agreement shall be Exhibit A to each Exemption Contract among the Board and Company upon approval by the Governor.

(C) LED will make the following recommendation for the Exemption to the Board for the Company, subject to the Company's adherence to its objectives hereunder and in accordance with the terms and conditions of this Agreement and ITEP Rules with respect to the limitation or cancellation of an Exemption Contract in the event of the Company's non-performance of its objectives hereunder: (1) an 80% exemption from ad valorem taxes for the initial Exemption Contract of 5 years; and (2) an 80% exemption from ad valorem taxes for the renewal Exemption Contract of 5 years with the express understanding that Company's compliance with and performance of the Company's Objectives hereunder shall be a consideration as to the renewal of the Exemption.

Section 4.02 Company Objectives

(A) Commencement of Operation. The Company will expand the Manufacturing Establishment and commence Operation by December 31, 2024, as described in the ITEP application form filed for this Project. During the construction period, Company projects that it will expend approximately \$93,141,000.00 in Capital Expenditures and that the Project provides approximately 211 full time equivalent construction jobs as well as for the creation of 35 Jobs with an annual Payroll of at least \$1,612,000.00, including 0 Jobs by a Qualified Contractor. Upon commencement of Operation and fulfillment of the foregoing representations, Company shall provide the Required Annual Jobs and Payroll as set forth in Section 4.02(B).

(B) Operation of the Manufacturing Establishment: Required Annual Jobs and Payroll. During each Project Year thereof, the Company anticipates creating and, thereafter, maintaining Required Annual Jobs and Payroll at the Manufacturing Establishment as follows:

Project Year	Required Annual Jobs	Required Annual Payroll
2025	35	\$1,612,000.00
2026	35	\$1,612,000.00
2027	35	\$1,612,000.00
2028	35	\$1,612,000.00
2029	35	\$1,612,000.00
2030	35	\$1,612,000.00
2031	35	\$1,612,000.00
2032	35	\$1,612,000.00
2033	35	\$1,612,000.00
2034	35	\$1,612,000.00

(C) Jobs and Payroll Creation. Any Jobs and corresponding Payroll created by Company after it files the Advance Notification for the Project shall be considered as having been created during the first Project Year.

(D) Project Year Adjustment. To the extent Company does not commence Operation on or before the anticipated date identified in Section 4.02(A), Project Years will adjust accordingly, but for no more than two years.

(E) Other State Incentives. To the extent that Company may receive any other incentives administered by LED directly for any Required Annual Jobs or Payroll, it shall have no bearing on this Agreement.

(F) Louisiana Preference. To the extent allowed by law, and insofar as is feasible and practicable, the Company agrees to use reasonable commercial efforts to give preference to Louisiana manufacturers, suppliers, vendors, contractors, and subcontractors in connection with equipping the Manufacturing Establishment and purchasing material and supplies to support Operation, provided such entities are competitive in price, quality, and delivery.

**ARTICLE V.
ASSIGNMENT AND TRANSFER**

Assignment or Transfer of the Manufacturing Establishment or any part of an Exemption Contract shall be governed by Section 535 of the Rules pertaining to the “Sale or Transfer of Exempted Manufacturing Establishment.”

**ARTICLE VI.
DEFAULT AND RENEWAL CONSIDERATION**

Section 6.01 Default

(A) State Default. The failure by the Board, the Local Governmental Entities or the Governor, to approve the Exemption for the Company in the manner provided by the Rules, constitutes a Default under this Agreement. Upon the occurrence of such Default, Company is relieved of all obligations hereunder and this Agreement shall automatically terminate without any further remedy to or obligation imposed upon Company.

(B) Company Default. The occurrence of any of the following actions during the term of an Exemption Contract shall constitute a Company Default with a corresponding remedy:

(1) Operation does not commence within a 2-year period beginning on the date identified in Section 4.02(A), in which case the Board may terminate or otherwise modify the Exemption Contract as provided in the Rules;

(2) Cessation of Operation, in which case the Board may terminate or otherwise modify the Exemption Contract as provided in the Rules;

(3) Assignment of this Agreement, or transfer of ownership of or controlling interest in the Manufacturing Establishment, the Company, or substantially all of its assets, other than as permitted under Article V, in which case the Board may terminate or otherwise modify the Exemption Contract as provided in the Rules; and

(4) Failure to satisfy 90% of either or both of the Company's Required Annual Jobs and Payroll under Section 4.02 of this Agreement upon which LED shall give notification to the Company and the Local Governmental Entities, which entities will make a recommendation to the Board on whether to terminate the Exemption Contract for the Company or otherwise alter the terms of the Exemption, including the length of the Exemption period and/or the percentage of the Exemption. The recommendation of the Local Governmental Entities shall then be submitted to the Board for consideration and/or action. This provision shall be applicable for each Project Year in which the Company fails to satisfy the requirements of this paragraph as provided herein irrespective of any prior decision of the Board to continue the Exemption Contract under the terms provided.

Alternatively, the Local Governmental Entities and the Company may forego the recommendation to the Board required by this section if the Local Governmental Entities agree that the Company shall pay and the Company actually makes a Default Payment to each of the Local Governmental Entities in an amount agreeable to both the Local Governmental Entities and the Company, in which case the terms of the Exemption Contract shall remain the same.

(C) Renewal Consideration. Upon Company's application for a renewal of the Exemption, Company's non-performance of this Agreement shall be considered by the Board in the manner provided by the Rules.

Section 6.02 Delay or Omission

No delay or omission in the exercise of any right or remedy accruing to any Party upon any breach of this Agreement by any other Party shall impair such right or remedy or be construed as a waiver of any breach theretofore or thereafter occurring. The waiver of any condition or the breach of any

term, covenant, or condition herein or therein contained shall not be deemed to be a waiver of any other condition or of any subsequent breach of the same or any other term, covenant, or condition herein or therein contained.

Section 6.03 Force Majeure

(A) Upon occurrence of an event of Force Majeure, the affected Party shall have the right, but not the obligation, to declare a Force Majeure period, by giving written notice of such event and declaration to the other Parties within 30 days of such occurrence. Time being of the essence, the affected Party shall make every reasonable effort to give such notice as soon as possible, but in any event notice must be given within 30 days of the occurrence.

(B) The Force Majeure period shall continue from the date of such notice until the effects of such Force Majeure are removed, remedied, repaired, or otherwise no longer prevent performance of a Party's obligations hereunder. During the Force Majeure period, the obligations of the Parties under this Agreement shall be suspended, and the relevant deadlines and time periods under this Agreement shall be extended to the extent of such suspension. In any event, no Force Majeure period arising from a single event of Force Majeure shall be deemed to exist for longer than 2 years from the date of such notice, and the aggregate Force Majeure period during the term of this Agreement shall not exceed two years.

(C) The affected Party must proceed with due diligence to effect repairs or undertake efforts to remedy or mitigate the effects of a Force Majeure event, and within 60 days of the occurrence of the event of Force Majeure shall provide the other Parties a report showing the efforts made and to be made to remedy or mitigate the effects as well as a timetable to return to full performance.

Section 6.04 No Other Damages

No party shall have the right to recovery against any other party of any damages of whatever nature, including compensatory, consequential, punitive, or otherwise, arising from or relating to any act or omission deemed to be a breach of this Agreement or fault of any party other than the remedies expressly set forth in this Article.

ARTICLE VII. REPORTS; AUDIT

Section 7.01 Contract Monitoring

The Secretary of LED or his designee will designate, and may change from time to time, one or more persons on his staff to act as Contract Monitor for the Project, to act as LED's representative and liaison between LED and the Company, and to monitor the achievement of the Company Objectives.

Section 7.02 Annual Certification of Compliance

By the last day of the fourth month following the end of each Project Year ("Deadline"), and subject to one request by the Company for a reasonable extension of time of no more than 60 days if made, in writing, before the Deadline, the Company shall deliver to LED a Certification of

Compliance with the Company Objectives under this Agreement, including specific verification of the creation and maintenance of Required Annual Jobs and Payroll. The Certificate of Compliance shall be in the general form of Exhibit 2 attached hereto and shall be accompanied by the additional materials referenced therein. All original documentation supporting the Certification of Compliance shall be maintained by the Company as required by the Rules. Failure to timely submit the annual Certification of Compliance may result in LED reporting to the Local Governmental Entities a failure to satisfy Required Annual Jobs and Payroll per Section 6.01(B)(4).

With regard only to the first Project Year referenced in Section 4.02(B), the Company shall deliver to LED the Certification of Compliance either within the time delay referenced in the prior paragraph or 90 days following the date that LED submits the Exemption Contract to the Company for execution, whichever is later.

Section 7.03 Audit

LED shall have such rights to compel an investigation at any time during the effectiveness of this Agreement as provided in Section 531 of the Rules pertaining to inspections.

Section 7.04 Reporting Rules Applicable

Nothing provided in this Section shall relieve Company of any additional reporting requirements provided by the Rules.

**ARTICLE VIII.
TERM**

The Term of this agreement shall extend from the Effective Date until the end of the Exemption Period.

**ARTICLE IX.
MISCELLANEOUS**

Section 9.01 Non Discrimination

Company agrees to abide by the requirements of the following laws, as amended and as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, the Equal Employment Opportunity Act of 1972; Federal Executive Order 11246; the Rehabilitation Act of 1973; the Vietnam Era Veteran's Readjustment Assistance Act of 1974; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; the Fair Housing Act of 1968; and the Americans with Disabilities Act of 1990. Company agrees not to discriminate in their employment practices in Louisiana, and, to the extent required by law and Executive Order, will render services in Louisiana without discrimination on the basis of race, color, religion, sex, sexual orientation, national origin, veteran status, political affiliation, disability, or age in any matter relating to employment.

Section 9.02 Captions

The captions or headings in this Agreement are for convenience only and do not define or limit the scope or extent of this Agreement.

Section 9.03 Counterpart

This Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which, when taken together, shall be deemed one and the same Agreement.

Section 9.04 Choice of Law

This Agreement shall be construed in accordance with and governed by the laws of the State of Louisiana.

Section 9.05 Jurisdiction and Venue

The 19th Judicial District Court in the Parish of East Baton Rouge, State of Louisiana, shall be deemed to be the exclusive court of jurisdiction and venue for any litigation, special proceeding or other proceeding as between the Parties that may be brought, or arise out of, in connection with, or by reason of this Agreement; and the Parties hereto submit themselves to the jurisdiction of said court in the event of any legal proceedings in connection with this Agreement.

Section 9.06 Further Assurances

From time to time hereafter, the Parties shall execute and deliver such additional instruments, certificates, or documents and take all such actions as another Party may reasonably request for the purpose of fulfilling the Parties' obligations hereunder.

Section 9.07 Notices

Any notice required or permitted to be given under or in connection with this Agreement shall be in writing and shall be delivered to the address(es) set forth below, or to such other address as may be designated by such Party in written notice to the other Party.

To LED:

Don Pierson, Secretary
Louisiana Department of Economic Development
P. O. Box 94185; Baton Rouge, LA 70804-9185 (USPS mail)
11th Floor, 617 North 3rd Street, Baton Rouge, LA 70802-5239 (Delivery)
Telephone: (225) 342-3000

To the Company:

Jorge Atena or Salazar Rodrigo
2500 Ron Bean Blvd, Shreveport, LA 71115
Ternium USA, Inc.
Telephone: (318) 963-4415 or (318) 698-7603

Section 9.08 Amendment

This Agreement may be amended only upon the written consent and approval of all Parties.

Section 9.09 Rules Prevail

To the extent any provision of this Agreement, after reasonable construction so as to give meaning to all provisions of this Agreement and the Rules, conflicts with the Rules promulgated by the Board, the Rules of the Board prevail.


Section 9.10 Electronic Transaction; Electronic Signatures

In accordance with LA. R.S. 9:2605B(1)&(2), the Parties hereto each agree that this transaction may be conducted by electronic means; and electronic signatures of the Parties to this Agreement and any Amendments hereto shall be acceptable and satisfactory for all legal purposes; as authorized by the "Louisiana Uniform Electronic Transactions Act", LA. R.S. 9:2601 through 9:2621.

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IN WITNESS WHEREOF, this Agreement has been signed by the undersigned duly authorized representatives on the dates indicated below.

TERNIUM USA, INC.

By: 
By: JORGE ATENA (Aug 16, 2022 15:11 CDT)
Signature

JORGE ATENA
Printed Name

Title: **Treasurer**

Date: **08/16/2022**

LOUISIANA DEPARTMENT OF
ECONOMIC DEVELOPMENT

By: 
By: Anne Villa (Aug 19, 2022 09:19 CDT)
Anne Villa, Undersecretary

Date: **08/19/2022**

LED CONTRACT MONITOR


Hud Usie (Aug 18, 2022 09:15 CDT)
Signature

Hud Usie
Printed Name

EXHIBIT 1

(Company Authorizing Resolution)

TERNIUM USA, INC.

WRITTEN CONSENT OF SOLE STOCKHOLDER
OF ACTION TAKEN WITHOUT A MEETING
PURSUANT TO SECTION 228(a) OF
THE GENERAL CORPORATION LAW OF DELAWARE

The undersigned, being the sole Stockholder of Ternium USA, Inc., a Delaware corporation (the "Corporation"), hereby adopt the following resolutions by written consent pursuant to Section 228(a) of the General Corporation Law of the State of Delaware:

RESOLVED, that all contracts, acts, and proceedings of the Board of Directors of the Corporation to the date hereof be, and hereby are, approved and ratified;

FURTHER RESOLVED, that the following persons are hereby elected as directors of the Corporation to serve until the next annual meeting of the shareholders of the Corporation or until their successors are duly elected and qualified:

Oscar Montero
José Carlos Moreno González
Héctor Obeso
Michael Guhl

IN WITNESS WHEREOF, the undersigned has executed this Written Consent as of the 5 day of August, 2019.

Ternium Investments, S.a.r.l.

By: 

Name: Pablo D. Brizzio
Title: Attorney in Fact

TERNIUM USA, INC.

WRITTEN CONSENT OF THE BOARD OF DIRECTORS
OF ACTION TAKEN WITHOUT A MEETING
PURSUANT TO SECTION 141(f) OF
THE GENERAL CORPORATION LAW OF DELAWARE

The undersigned, being the all the members of the Board of Directors of Ternium USA, Inc., a Delaware corporation (the "Corporation"), hereby adopt the following resolutions by written consent pursuant to Section 141(f) of the General Corporation Law of the State of Delaware:

RESOLVED, that all contracts, acts, and proceedings of the officers of the Corporation to the date hereof be, and hereby are, approved and ratified;

FURTHER RESOLVED, that the resignations of Hector Obeso and Michael Guhl, as President and Vice President - Commercial of the Corporation, respectively, be, and hereby are, accepted;

FURTHER RESOLVED, that the following named persons are nominated and elected to the offices set forth below opposite their names, to serve until their successors are duly elected and qualified:

Héctor Obeso – Chairman of the Board of Directors
Michael Guhl – President
José Carlos Moreno González –Vice President- Administration
Juan Pablo Ocampos – Vice President – Supply Chain
Jorge Atena – Treasurer
Ezequiel A. Camerini – Secretary
Rafael A. Ginebra – Assistant Secretary

FURTHER RESOLVED, that the Vice-President – Administration shall be authorized to, in the absence of the President, perform the duties of the President in accordance with the By-laws of the Corporation; and

FURTHER RESOLVED, in the absence of both the President and the Vice President – Administration, the Vice-President – Supply Chain

shall be authorized to perform the duties of the President in accordance with the By-laws of the Corporation

FURTHER RESOLVED, that this Written Consent may be executed in one or more counterparts and by facsimile signature, each of which shall be deemed to be an original, and all of which taken together shall be deemed to be a single Written Consent.

IN WITNESS WHEREOF, the undersigned have executed this Written Consent as of the 23 day of August, 2019.



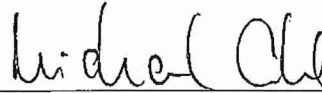
Oscar Montero



José Carlos Moreno González



Héctor Obeso



Michael Guhl

If the answer to 7.c. is "No", please explain: _____

8. Upload this Certification of Compliance with original signatures via Fastlane. The following additional materials must accompany this certification. Use the most current updated prescribed forms and spreadsheets found on the Fastlane Document Checklist:
- ITE Employment Baseline Calculation Worksheet – (only required the first year of reporting).
 - A sortable and unlocked version of the ITE Annual Compliance Report (ITE ACR).
 - Copies of all quarterly wage reports (ES-4's/SUTA) and Multi Worksite Reports (if applicable) filed with the LA Workforce Commission for the same filing period.
9. Optional: If applicable, additional non-compliance documentation is attached as a separate document for LED to provide to the Local Governmental Entities & the Board of Commerce & Industry for consideration. Yes No

CONTACT TYPE (select one): Business Consultant

Contact Information:

Name: _____

Title: _____

Mailing Address: _____

Phone Number: _____ Extension: _____

E-mail Address: _____

CERTIFICATION

(Must be executed by a key employee of the Company—executive or senior level officer, project site manager, or equivalent rank)

I hereby certify that, with regard to the above-referenced Industrial Tax Exemption project number, the information provided in this document and additional supporting materials is true and correct to the best of my information and belief after reasonable inquiry. And I am aware that my submission of any false information or omission of any pertinent information resulting in the false representation of a material fact may subject me to civil and/or criminal penalties for filing of false public records (R.S. 14:133) and/or forfeiture of any exemptions approved under this program. I understand that application and information submitted with it shall not be returnable to the applicant.

(Original Signature)

(Printed Name)

(Date)

Please include a copy of this document and remit a check for \$250 (note contract number on check) made payable to:
Louisiana Economic Development
617 North 3rd Street, 11th Floor
Baton Rouge, LA 70802












Exhibit A - Ternium USA Inc. #20210264


Final Audit Report

2022-08-19


Created:	2022-08-16
By:	Christina Ocmand (Christina.Ocmand@la.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAA70R3XREtttdCxeEX4UCaQ2LSGdHIPrWb

"Exhibit A - Ternium USA Inc. #20210264" History

-  Document created by Christina Ocmand (Christina.Ocmand@la.gov)
2022-08-16 - 7:09:53 PM GMT- IP address: 159.39.101.2
-  Document emailed to jatena@ternium.com for signature
2022-08-16 - 7:13:14 PM GMT
-  Email viewed by jatena@ternium.com
2022-08-16 - 7:18:37 PM GMT- IP address: 54.147.246.36
-  Signer jatena@ternium.com entered name at signing as JORGE ATENA
2022-08-16 - 8:11:27 PM GMT- IP address: 12.51.235.150
-  Document e-signed by JORGE ATENA (jatena@ternium.com)
Signature Date: 2022-08-16 - 8:11:29 PM GMT - Time Source: server- IP address: 12.51.235.150
-  Document emailed to hud.usie@la.gov for signature
2022-08-16 - 8:11:33 PM GMT
-  Email viewed by hud.usie@la.gov
2022-08-16 - 8:12:10 PM GMT- IP address: 159.39.101.2
-  Signer hud.usie@la.gov entered name at signing as Hud Usie
2022-08-18 - 2:15:01 PM GMT- IP address: 159.39.101.2
-  Document e-signed by Hud Usie (hud.usie@la.gov)
Signature Date: 2022-08-18 - 2:15:02 PM GMT - Time Source: server- IP address: 159.39.101.2
-  Document emailed to Anne Villa (anne.villa@la.gov) for signature
2022-08-18 - 2:15:06 PM GMT
-  Email viewed by Anne Villa (anne.villa@la.gov)
2022-08-19 - 2:14:59 PM GMT- IP address: 159.39.101.2

 Document e-signed by Anne Villa (anne.villa@la.gov)

Signature Date: 2022-08-19 - 2:19:51 PM GMT - Time Source: server- IP address: 159.39.101.2

 Agreement completed.

2022-08-19 - 2:19:51 PM GMT

Industrial Tax Exemption Program Application - (Post Executive Order 2018)

** Any changes made to the information provided after the initial submission of this Application, whether requested by the Company or by LED, may result in a delay in Application processing time and/or Board of Commerce & Industry consideration. **

Project ID: 20210264-ITE

Date Received: 4/27/2022

PROJECT INFORMATION

Company: Ternium USA Inc
Project Name: Leonardo
Project Location: 2500 Ron Bean Blvd , Shreveport, LA, 71115
Parish: Caddo
City Limits?: --

COMPANY INFORMATION

Product Manufactured: The Ternium Group manufactures a wide range of value-added steel products, including tin, galvanized iron, electro-galvanized sheets, pre-painted sheets, steam tubes, as well as hot and cold rolled coils.

Manufacturing Process/Activities: The primary products that Ternium USA produces and sells consist of flat steel products, the manufacturing process includes: • Cold rolled products: cold rolled products are applied mainly to the automotive, home appliance, and capital goods industries, as well as to galvanizers and drummers. Cold rolled coils are sold as coils or cut into sheets or blanks to meet customer's needs. • Hot-dipped galvanized and pre-painted sheets: hot-dipped galvanized sheets are produced by adding a layer of zinc to cold rolled coils, which are afterwards cut into sheets. Galvanized sheets can also be pre-painted, resulting in a product that is mainly sold to the construction industry for building coverings, manufacturing of ceiling systems, panels, air conditioning ducts, and several other uses.

GAMING

Has the applicant or any affiliates received, applied for, or considered applying for a license to conduct gaming activities? Yes No

If yes, please give a detailed explanation including the name of the entity receiving or applying for the license, the relationship to the business if an affiliate, the location and the type of gaming activities:

PROJECT DETAILS

NAICS: 332812
Project Type: Addition
Project Start Date (beginning of construction and/or installation): 9/1/2022
Project End Date (ending of construction and/or installation): 12/31/2024
Anticipated date for the commencement of operations of this project: 12/31/2024
Project Description:

TERNIUM the largest steel galvanizer and painting processing company in Latin America, has decided to increase the production volume of painted steel at its Shreveport location. In order to achieve the new required capacity, TERNIUM has defined the acquisition and installation of a new conventional Continuous Painting Line (CPL No.2) to produce non-exposed Construction and Architectural end products for the Metal Building Industry offering a wide gamma of colors and painting systems like Polyesters, Silicone Modified Polyesters (SMP) and Kynar (PVDF). The expected capacity of the new line will be 120,000 metric tons per year and to be installed in the existing facility at TERNIUM USA, Inc. located in Shreveport, Louisiana. USA running in parallel to the existing Continuous Painting Line #1 (CPL No.1) sharing the same Work in Process (WIP) feed warehouse, but in a separate building. The project will increase its current painted product capacity by 53% with a capital investment estimated of ~\$93M. The project is expected to generate 35 new direct jobs (4 professional and 31 non-professional Ternium employees) when the plant is at full capacity. Additionally, it is estimated that the project will generate an estimated 211 construction jobs (maximum peak in each stage). The project scope covers engineering, design, fabrication, installation and commissioning of the production line including the erection of new main building, auxiliary and utility buildings rooms, main line equipment supply, overhead cranes, MV transformers, switchgears and other utility equipment's like cooling tower, compressors, etc. A detailed mechanical and electrical scope of supply has been added to 20210264-ITE Breakdown of Purchases spreadsheet listing all the details of each equipment.

Will any portion of this project become operational/usable prior to the overall project's completion (i.e. application filled in phases)? Yes No

Calendar Years:

ESTIMATED INVESTMENTS

Building & Materials:	\$11,403,200.00
Machinery & Equipment:	\$46,834,000.00
Labor & Engineering:	\$34,903,800.00
Estimated Total Investment Amount:	\$93,141,000.00
Less: Restricted Amount:	\$0.00
Total Estimated Investments:	\$93,141,000.00

ESTIMATED JOBS

Existing Jobs at Project Site:	157
Existing Jobs Statewide:	
Will this project create new jobs?	<input checked="" type="radio"/> Yes <input type="radio"/> No
New Direct Jobs:	35
Contract Jobs:	0
Will new jobs be created in phases?	Production workers, utility workers, maintenance/repair workers
Explain:	
Construction Jobs:	211

Total Estimated Jobs:

403

New Jobs for this phase:

0

If no new jobs are being created with this project, will existing jobs be retained?

Yes No

If yes, provide a compelling reason(s) for retention:

ESTIMATED PAYROLL

Existing Jobs Payroll:	\$10,990,000.00
Existing Jobs Statewide Payroll:	\$0.00
New Direcy Jobs Payroll:	\$1,612,000.00
Contract Jobs Payroll:	\$0.00
Construction Jobs Payroll:	\$13,685,208.00
Total Estimated Payroll:	\$26,287,208.00
 New payroll for current phase:	\$0.00

PROPERTY TAX

Millage Rate for this property. Use the millage rate obtained from the parish assessor to calculate the fee. 0.1334

This is usually a whole number (i.e., 115.47 or 92.665. A millage rate is expressed in 1/1000ths of a dollar (known as one mill). Convert the whole number millage rate by dividing by 1000 to a decimal number (i.e., the whole numbers converted to 1/1000ths would be .1154 or .0927 when rounded to four digits.)

Note: [Proof of Millage/Location form](#) must be completed by the parish assessor and uploaded to the attachments of this application.

Total Property Taxes paid (most recent year for this site): 2171008.00

BUSINESS LEGAL STRUCTURE

Is this company an LLC? Yes No

If an LLC members or pass through entity, list below the names and the LA Dept. of Revenue tax identification number or social security number for all.

LLC Members

Legal Name

ESTIMATED BENEFIT

Investment Amount:	\$93,141,000.00
x Assessment Percentage:	0.15
x Millage Rate:	0.1334
=Annual Exemption	\$1,863,751.41
Annual Exemption * 5 years at 80%	\$7,455,005.64
+ Annual Exemption * 5 years at 80%	\$7,455,005.64
=Estimated Ten Year Property Tax Exemption	\$14,910,011.28

FEE CALCULATION

Estimated Ten Year Property Tax Exemption :	\$14,910,011.28
x Rate	0.005
= Assessed Fee (\$500.00 Minimum—\$15000.00 Maximum)	\$15,000.00
Amount Paid:	\$15,000.00
Amount Due:	\$0.00

ATTACHMENTS

Document Type	Document Name	Date
Signed Disclosure Authorization	20210264-ITE ITE Disclosure Authorization (signed).pdf	3/10/2022
Notarized Affidavit	20210264-ITE Contract Affidavit (signed).pdf	3/10/2022
Baseline Calculation Worksheet	20210264-ITE Baseline Note.docx	3/10/2022
Other	20210264-ITE Proof of Millage (signed).pdf	3/14/2022
Proof of Millage Rate	20210264-ITE Proof of Millage (signed) with PT paid.pdf	3/14/2022
Other	20210264-ITE Breakdown of Purchases.xlsx	3/14/2022
Other	20210264-ITE Breakdown of Purchases v2.xlsx	5/12/2022
Breakdown of Purchases	20210264-ITE Breakdown of Purchases v3.xlsx	5/16/2022

PAYMENTS

Fee Type	Amount Paid	Date Received	Confirmation #	Transaction Type
APPLICATION	\$15,000.00	4/27/2022	OP3KMFZFYY	ach

PROJECT CONTACTS

Contact First Name	Contact Last Name	Email Address	Company Name	Mailing Address	Phone Number	Contact Type
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Contact First Name	Contact Last Name	Email Address	Company Name	Mailing Address	Phone Number	Contact Type
Rodrigo	Salazar	rsalazar@ternium.com	Ternium USA, Inc.	2500 Ron Bean Blvd , Shreveport, LA, 71115	(318) 698-7603	Business
Jorge	Atena	jatena@ternium.com	Ternium USA, Inc	2500 Ron Bean Blvd , Shreveport, LA, 71115	(713) 963-4415	Business Signatory
Rhonda	Boatner	rboatner@didierconsultants.com	Didier Consultants	1575 Church Street Bldg 3	(225) 658-	Consultant

CONTRACT SIGNATORY

The contract signatory will be used when signing contracts. The contracts will be signed online and will take place after the board approves a form.

Title: US Regional Controller

First Name: Jorge

Last Name: Atena

Email Address: jatena@ternium.com

CERTIFICATION STATEMENT

I hereby certify that this project meets all Constitutional, statutory and regulatory provisions applicable to this program. I hereby certify that the information provided in this document and additional materials is true and correct and that I am aware that my submission of any false information or omission of any pertinent information resulting in the false representation of a material fact may subject me to civil and/or criminal penalties for filing false public records (R.S. 14:133) and/or forfeiture of any tax benefits approved under this program. I understand that the application and information submitted shall not be returnable to the applicant.

FORM SIGNATURE

I, **Jorge Atena**

, approve the above information.

August 24, 2022

Dr. Woodrow Wilson, Parish Administrator
Attn: Ms. Erica Bryant, Director of Finance & HR
Caddo Parish Commission
505 Travis Street, Suite 800
Shreveport, LA 71101

RE: Ternium USA Inc
Board of Commerce and Industry Approval Notice ("Notice")
Tax Exemption Application #20210264-ITE - \$93,141,000.00

Dear Dr. Wilson:

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 Ternium USA Inc, attached hereto along with the corresponding Exhibit A, was approved by the Board on Wednesday, August 24, 2022. Local governmental entities have thirty days from the date notice of the Board's approval is posted on LED's website 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,



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

c: Assessor, Caddo Parish