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Caddo-Bossier Parishes Port Commission
Regular Board Meeting
Regional Commerce Center, Board Room
6000 Doug Attaway Blvd., Shreveport, LA 71115
August 17, 2017, 4:30 p.m.

President Commissioner Gregorio called the meeting to order at approximately 4:30 p.m. in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd., Shreveport, LA.

Commissioner Griggs led the Pledge of Allegiance.

Commissioner Gregorio called on Mr. England for roll call: Commissioners: Sam N. Gregorio, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall and Capt. Thomas F. Murphy. We have a quorum. Absent: James L. Pannell, Rick C. Prescott and Steve Watkins.

Commissioner Gregorio called for introduction of guests. Guests: Ken Antee; George Carroll, Joe and Zachary Johnson; Ed Walsh and Sarah McKinney, Gremillion & Pou; Ty Scoggins, Scroggins Consulting, Inc. and Tyler Comeaux, BKI. Staff: Eric England, Brenda Levinson, Danny Malone, Rick Nance, Gloria Washington and Hettie Agee.

Commissioner Gregorio asked if there are any public comments regarding an agenda item? Hearing none, he said we'll go to Unfinished Business.

UNFINISHED BUSINESS:

Approval of Regular Board Meeting Minutes of July 20, 2017: Commissioner Griggs said the Regular Board Meeting minutes of July 20th is in your packages. If there's been no changes, I move for approval. The motion was seconded by Commissioner Murphy. Commissioner Gregorio said we have a motion and second and called for discussion. Hearing none, he said all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall and Capt. Thomas F. Murphy

NAYS: None

ABSENT: James L. Pannell, Rick C. Prescott and Steve Watkins

ABSTAINING: None

Approval of June 2017 Financial Reports: Commissioner Griggs said the June 2017 Financials are also in your package. If there's been no changes, I move for approval. Commissioner Hall seconded the motion. Mr. England said before we go on, Gloria has something to say. Gloria said on pg. 9, the Receivables, we had some 60 day and 90 day receivables. And over July those

"This institution is an equal opportunity provider and employer."

MEMBERS: Sam N. Gregorio, President; Rick C. Prescott, Vice President; Roy Griggs, Secretary-Treasurer
Lynn Austin; Erica R. Bryant; James D. Hall; Capt. Thomas F. Murphy; James L. Pannell; Steve Watkins

payments were received and will be reflected in next month's financials. Calling for questions and hearing none, Commissioner Gregorio thanked her and said we have a motion and second and called for any discussion. Hearing none, he said all in favor please say "Aye". Opposed? That passes.

YEAS: Commissioners: Sam N. Gregorio, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall and Capt. Thomas F. Murphy

NAYS: None

ABSENT: James L. Pannell, Rick C. Prescott and Steve Watkins

ABSTAINING: None

Port Expansion Committee Report of July 20, 2017: The Port Expansion Committee meeting was called to order by Committee Chairman Steve Watkins at approximately 3:30 p.m. on July 20, 2017 in the Board Room of the Regional Commerce Center. Introduction of guests was called for.

Committee members in attendance included Sam N. Gregorio, Ex-Officio; Steve Watkins and Capt. Thomas F. Murphy. A quorum was present. Commissioners Erica Bryant, Roy Griggs and Jimmy Hall were also in attendance. Guests: Tyler Comeaux, Burk-Kleinpeter; Sarah McKinney-Williams, Gremillion & Pou; Mike McSwain, Mike McSwain Architect; Ty Scroggins, Scroggins Consulting and Mark Jusselin, TRC Engineers, Inc.. Staff: Eric England, Dannye Malone, Rick Nance, Kathy French and Hettie Agee.

Commissioner Watkins called for any public comment on any agenda items. Hearing none, he called on Eric for Commercial Development.

At our last meeting Mike McSwain made an elaborate presentation on the concept drawings for the River's Edge District. We've executed our contract with him in accordance with the amount that was budgeted for this fiscal year and that's going to take us through what we call the programming, the schematic and the design development phases. While we had our budget amount established, we wanted to match the amount of work he was doing in categories to the amount we had budgeted for now. There was discussion about an assessment or a feasibility study for the commercial development. Beside your folders is a comprehensive proposal that he's provided us. The proposed contract amount is on page 3; it's \$14,000 plus a minimal amount for out of pocket expenses and he'd like to see about a \$7,000 payment up front if we move forward with him. The committee has not had an opportunity to discuss the suggestion of a feasibility study. We took the liberty of going ahead and getting at least one proposal. Commissioner Watkins, if there was any discussion we could have, we'd love some feedback from the committee members as to moving forward with the feasibility study, yes or no, and if yes, then we can discuss a path forward for the feasibility study selection.

Commissioner Watkins said I certainly think that this project calls for a feasibility study. My only question, and I know Mike's comfortable with Lambert, is there a local company, is there anything out there locally that we could look at that could give us the same? Commissioner Gregorio said and I have a question when you're through.

Mike said I'm not aware of a local company, and there may be one. I've not had a chance to work with one locally. I have worked with Lambert and Associates on three other feasibility studies and market analysis pieces all in Bossier, but one related to South Bossier, one downtown Bossier and then

most recently the Research Park. I think his work stands for itself. I think you've got a committee member that's had some involvement with his company, but he's the only one I've really worked with. In prior projects the only other one I've worked with is Ernst and Young, but it was a much bigger, more elaborate study related to the Shreveport Convention Center. It's even a bigger player than Lambert is. But that's my only experience with the analyst guys.

Commissioner Gregorio said Mike, I think it was somewhat my suggestion or concern about the feasibility study, so let me just kind of explore it for a second. Before we go out and spend some money and build something, I'd like to have some data that there's a need, specifically in this location and specifically in need for businesses A, B, C, D and F. Will this study give us that? Mike said I believe it does. He looks at different market sectors, different retail type sectors and I think he outlines some of that of what he would do here. He also looks at the general demographics, traffic flows and other things to really assess the area as well as look at all the other markets in the area and see how well they're performing, how well they're underperforming etc. I do think it does get to your point of validation of whether there is a need or there isn't a need. Commissioner Gregorio asked would it be as specific as this type of retail business or wholesale business or whatever will go there as a good fit? Will it be that specific? Mike said I don't know if it will be as specific as a certain—not to use words, but a McDonald's to go there for instance—but it may say fast food restaurant type of service or an international chain sit-down service. But I think it will be in general categories like that and then also it will be looking at professional office environments and support offices for things that are out here and things like that. Commissioner Gregorio said the other question related to Steve's is the type of business that would conduct this feasibility study. Is that—and you mentioned an accounting firm that does business development. Are there accounting firms that do this? Are there real estate appraisers that do this? I know you haven't worked with them but in general. How is Lambert different from those two? Mike said I don't know. Lambert was very similar to the Ernest and Young study that we did. He's just a different firm that does that. And I really don't know if there's somebody local that does do that kind of assessment. I will tell you this—just a side note about Paul and his firm. I didn't realize, because the work I've done with him has been related to in-city developments for work abroad, and I didn't realize but his actual specialty is ports and he deals with a lot of ports across the country. I actually think he's a better fit for y'all than he ever was for me. But he always did great work on our other projects, but I think his port qualifications is probably really appropriate for this. And I'm not out to sell him; I want to use whoever you guys are comfortable with. I just have some comfort with Lambert and Associates. Commissioner Gregorio said if somebody were to ask me what kind of business does he have or what kind of work, how would I describe it? Mike said he's a market analyst. That's the best way I can describe him and I got to share this with Eric. He's a great guy; I like him to pieces. He's a numbers guy and numbers have no emotion, so whatever the facts are, that's what it is. If that's bad news; it's bad news. If it's good news, it's good news. He is honest and truthful about whatever it is. Commissioner Gregorio said he's done at least three market analysis here locally that you know of? Mike said correct. He's got some familiarity with the region and that's over the last probably seven years. Commissioner Gregorio asked if his proposed price is in line with what you'd expect in the market? Mike said it with our previous ones, this one's actually a little bit less than some of the others, so I think it's a reasonable price compared to what we've paid in the past. Commissioner Gregorio said thank you.

Commissioner Griggs said just before you go, a couple of things, just one question. You said you worked with Lambert before on three different projects, correct? Can you talk about the feasibility study and the actual results? Is it kind of mirrored the study? Mike said I'm not gonna give specifics. I don't know how much I can share with them but I can tell you on two of them because they've done several years ago, it looks like they're trending pretty much on target with where he predicted we would be trending. He had one that his prediction is actually true, but it's not what everybody wants to hear. So I think in each of the cases he's been fairly accurate with his predictions looking ahead and certainly with the two older ones. They seem to be right on target. Commissioner Griggs said that's good to hear because I think it's so important that we get the facts and information correctly, however it turns out. Don't bring us what we want to hear but make sure it's the facts as best as he knows the facts so we can make the best decision. Mike said I believe it is a good course and gives you certainty as a public body that we're moving forward with some good data. Commissioner Griggs said thank you.

Commissioner Watkins said and I would hope too once those numbers come back—Mike said numbers don't have emotions—I hope we look at them and heed them. If it says don't do it, we don't do it. Any more discussion about that? Is there a feeling that y'all—Commissioner Gregorio said I'd like to make a motion that we accept the proposal and move forward with the feasibility study. The motion was seconded by Commissioner Griggs. Calling for discussion and hearing none, he said all those in favor say "Aye". All those opposed? The motion carries.

YEAS: Commissioners: Sam N. Gregorio, Steve Watkins and Capt. Thomas F. Murphy

NAYS: None

ABSENT: Lynn Austin and James L. Pannell

ABSTAINING: None

Eric said with regard to the solar project update, based on our previous meetings we had discussions with a solar company. Really items two and three of the agenda kind of tie together with regard to Port Expansion properties and the solar development. (Using Google Earth) I want to point out to you the option property that was identified in their option that they now have turned into the SPP (Southwest Power Pool) which is their application, is what we referred to as the Cupples West property. If we're going to continue to work with the solar company, we're going to have to identify tracts of land that we could purchase that could turn around and be leased to them as well. So I wanted to do a couple of things. I wanted to let you all know their application to the SPP is moving forward as planned. The second thing also is to plant a seed with the committee regarding that need for additional space.

Let me tell you why the tracts on the west side of Highway 1 make sense. Number one is you have this electric power substation on Doug Attaway Blvd. You have significant cost savings if you're within close proximity to a substation. The second thing is there's a 138 KB; it's like a major power line that goes through this tract of land. They, the solar company, like this site and these tracts of land surrounded because of this power line and this substation. It may be that they put in their own substation that would tie into these power lines going to the substation.

Commissioner Watkins asked what kind of time frame roughly do you see as this coming? Eric said I think within a period of about five months we'll know something about where they stand with SPP because what they were trying to do was to meet a deadline and the deadline is based on tax credits that expire in a couple of years.

Commissioner Gregorio said and any land that would go to the solar, that would not interfere with, maybe be in addition to, the acreage we identified for industrial and maritime purposes. Eric said that is correct and it would be my recommendation that any thing that we would do for solar would be above and beyond our industrial development mission identified in the Port Expansion Study. Our contract, our commercial terms with the solar company, are such that the payback for us is based on our purchase price or appraised price, whichever is higher. And we're leasing at a rate that we will see a ten year payback. And then if you were to list a final attribute of it, what we would like to see is this become that buffer property in areas where we have some homeowners that they're looking for that buffer between industrial development. Commissioner Watkins called for questions. Hearing none, he said now you want to move into potential.

I have two really to discuss unless there's discussion about more. We have been in discussions with the owners of an approximate 300-acre tract here. We've had this property appraised. We have not had a use value appraisal on this tract of land. The solar company views this piece of property as advantageous. They can locate and meet all the parameters for their project with this site. This is one tract where we've had additional conversations, additional interactions and is a potential buffer between industrial activity between the Port and Alternative B-2 of 3132. As you all know the 3132 corridor we've established would be our western limit for industrial development. Let that be the buffer between us and the homeowners.

The second tract of land is not near the Port but it's one we were made aware of as being for sale. It's roughly 30 acres near the intersection of La. Hwy. 3132 and I-49. This tract of land is on the KCS main line and it has a rail switch to the property that can accommodate main line direct switching. We've oftentimes said we would like to identify a tract of land that would be on the KCS, for whatever reason, build that property whether it be warehouse or just a material trans-loading facility. We didn't seek this property. This property came to us. He's an existing customer. It was identified over a cup of coffee one day that he was thinking about selling it. So it's not in the Port Expansion Study but KCS access and zoned Heavy Industrial already. It has the zoning. As you can see, it's surrounded by two schools. It's just a potential site that we've been made aware of and for the 30 acres he's let us know that his asking price is \$5.82 million dollars. So that's considerably more than what we're used to paying for property. That would be an incredible amount of activity we'd have to flow through that site to make that cash flow and make that a positive business case. We don't want to close any doors, but I just want to make sure that the Commission was aware.

Commissioner Watkins asked if you wanted to talk a little bit more in depth about the acreage across the street and the potential of the solar? Eric said I think it's a piece of property they have a price in mind that is higher than the appraised value, but still they've told us a price that they want. But I still think there's some negotiating room that can be done there. What I'd like to see is the committee authorize me to continue talking with them to get them to a number that I think is more reasonable. Secondly, also entertain an option on the property as well so that we can possibly time a purchase with the timing of the solar project moving forward, so we keep our options open.

Commissioner Watkins said I think everybody got the same packet I did about a year ago on this property. We received a letter from the owners of the property and they had received the appraisal and it appraised at \$6,000 an acre. They said that was not—it was a nice letter—and just talked about why

they thought that was way too low. They kept going back to the Cupples piece of property across the street that we paid about \$11,000 an acre for. Kind of in my mind that's probably what they're looking for. I think they've thrown out \$14,000 an acre, but I believe that's just starting negotiations would be my guess. If the solar project goes through, we could flip it very quickly, but I would caution if we paid too much money, then we've set the comparable price for all properties around there. If we paid \$14,000 an acre, nobody else is going to take less than \$14,000 an acre. That's going to become our benchmark. So I think we've got to be very careful how we go forward with that piece.

Commissioner Gregorio said I see two things. One is if the land is available, I see that it is totally separate than what we do with it whether it is solar or not and that may or may not be a right solar fit and I wouldn't want to make those two decisions together. But I'm all in favor of pursuing that, in fact getting an appropriate value with appropriate appraisal bases for us because that land is going to go nowhere except somewhere else. I would make a motion that we authorize Eric to enter into negotiations and secure an option and bring us back a package on that property for us to consider for purchasing. The motion was seconded by Commissioner Murphy. Calling for discussion and hearing none, he said all those in favor say "Aye". All those opposed? The motion carries.

YEAS: Commissioners: Sam N. Gregorio, Steve Watkins and Capt. Thomas F. Murphy

NAYS: None

ABSENT: Lynn Austin and James L. Pannell

ABSTAINING: None

Commissioner Watkins asked if there's any other matters that need to come before the committee? He adjourned the meeting at approximately 4:04 p.m.

Commissioner Gregorio said the minutes of the July 20, 2017 Port Expansion Committee meeting are in your packages. If there are no changes, I move that you approve them. The motion was seconded by Commissioner Hall. Hearing no discussion, the vote was taken.

YEAS: Commissioners: Sam N. Gregorio, Roy Griggs, Lynn Austin, Erica R. Bryant, James D. Hall and Capt. Thomas F. Murphy

NAYS: None

ABSENT: James L. Pannell, Rick C. Prescott and Steve Watkins

ABSTAINING: None

NEW BUSINESS:

2017 Increased Millage Rate Discussion: Mr. England said the Port has already adopted its millage rates of 2.5 mills earlier this year. We wanted to open it for discussion to see if the Commission would like to move forward with the 2.51 mills.

Commissioner Gregorio called for discussion and Commissioner Hall said I first want to say I am employed by the City of Bossier City and we are in the process of going through it. I look at this money as economic development money and suggest that you take this money and set it aside. I think that it's important that we have a cache of funds for economic development. LED has indicated the State is broke and can't help us. It don't matter if we can

make it up from operations; I think this will happen again next year and we need to use this to help with our economic development projects. The other commissioners voiced their agreement.

Commissioner Bryant said this is not a roll forward; in this case we are not getting additional revenue, we're just trying to keep our revenue the same.

Mr. England said based on the discussions, it appears we will consider moving forward with 2.51 mills. Before we do there are several steps involved in order to adopt the increased millage rate of 2.51. One includes the next item on the agenda. The other is our meeting date of September 21st will need to be changed to sometime during the week of September 25-29 in order to meet the requirements. Several members of the Commission said they preferred September 28th at 4:30 p.m. Mr. England said so that will be the date of the meeting and we will combine the September 21st to September 28th to avoid having two September board meetings. Commissioner Gregorio called for further discussion. Hearing none, he called for the next item of new business.

Announcement of 2017 Increased/Adjusted Millage Rate From 2.5 to 2.51 Mills for Bossier Parish: Mr. England said in accordance with the provisions of Louisiana Revised Statute 42:19.1, it is hereby announced that the Caddo-Bossier Parishes Port Commission in a Public Meeting to be held on September 28, 2017 at 4:30 p.m. will adopt an Ordinance to increase its existing ad valorem tax of 2.5 mills to 2.51 mills on property subject to taxation in the parish of Bossier. This Public Meeting will be held at its regular meeting place in the Board Room of the Regional Commerce Center, 6000 Doug Attaway Blvd, Shreveport, LA at 4:30 p.m.

PORT DIRECTOR'S REPORT: Mr. England said the Mississippi River Commission's visit was very successful; relationships were built and the Port was showcased. We were one on one with them that evening and the following day. Governor Edwards, Don Pierson, Secretary of Economic Development and Tommy Clark were in attendance for the panel discussion on Monday. The main focus appeared to be the importance of having a 12 ft. channel for commerce and economic development.

Mr. England provided an overview of upcoming meetings and the Northwest Louisiana Legislative Summit events.

Hearing no further business to bring before the Commission, Commissioner Gregorio adjourned the meeting at approximately 4:44 p.m.

Respectfully submitted,

Commissioner Roy Griggs
Secretary-Treasurer

Special Board Meeting: Monday, October 9, 2017, 10:00 a.m.

Regular Board Meeting: Thursday, October 19, 2017, 4:30 p.m.

Marketing and Operations Committee Meetings, Monday, October 9, 2017, 12 Noon
Regional Commerce Center, 6000 Doug Attaway Blvd, Board Room, Shreveport, LA