



# Industrial Tax Exemption Program Administration Processes to Implement Resolution 09-18

Budget and Finance Committee

October 9, 2018



## Context

On July 19 and September 20, 2018, the Orleans Parish School Board respectively passed and made technical amendments to Resolution 09-18.

This resolution articulates a high-level process for OPSB to use to review businesses that apply for a tax exemption under the Industrial Tax Exemption Program (ITEP). It also details the criteria that the School Board will utilize to determine whether or not the Board will approve an applicant for such a tax exemption.

In recent months, the district administration has developed internal processes to implement the Board's resolution.

## Objectives

1. Review the process and criteria included in OPSB Resolution 09-18.
2. Share details on the administrative processes and procedures that the administration will use to implement Resolution 09-18.

# Overview of OPSB Resolution 09-18

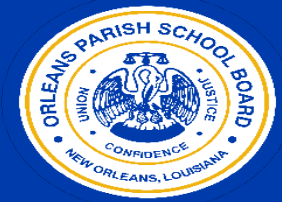
## Slide 1 of 2: Key Details on Process



- Administration monitors ITEP applications on state Board of Commerce and Industry website monthly.
- OPSB provides public notice of intent to approve or reject applications.
- OPSB uses formal board resolutions to approve or reject each application within 60 days of the Board of C & I “taking action on an application”.

# Overview of OPSB Resolution 09-18

## Slide 2 of 2: Criteria for Applications to Meet



OPSB shall only approve applications that meet all of the following:

1. Business is located in a distressed region – which is further defined as a census tract block group that is below the state median per capita income, based upon the latest five-year estimate from the American Community Survey, as conducted by the United States Census bureau – or an Enterprise Zone, as defined by the Enterprise Zone Program under Louisiana Economic Development.
2. 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.
3. At least 35% of net new hires will reside in Orleans Parish as defined by Hire NOLA statute §70-498, or are/have attended Orleans Parish public schools within the last three (3) years, including current students who may be offered paid internships.
4. Construction on the capital project for which a tax exemption is being sought has not commenced prior to gaining approval from the Orleans Parish School Board.

# Administrative Processes to Implement Resolution 09-18

## Slide 1 of 2: General Timeline



***Through coordination with the state Board of Commerce and Industry, the district administration has created internal processes to implement resolution 09-18.***

| Timeline  | Step  |
|---|---|
| Prior to the Start of Construction on the Project | 1. Applicant applies to the Louisiana Board of Commerce and Industry for an ITEP exemption.   |
| Following Board of Commerce and Industry Approval | 2. LA Board of Commerce and Industry notifies OPSB of approved applicants and passes application information to OPSB for review.        |
| Within 30 days of step 2                          | 3. OPSB adds the application to its upcoming Board meeting agenda.  |
|   | 4. District administration reviews application against OPSB criteria and, as needed, contacts applicant for additional information.     |
| Within 60 days of step 2                          | 5. District administration provides public notice, identifying whether or not the application meets all of OPSB's criteria.             |
|   | 6. OPSB includes the applicant on its upcoming Board meeting agenda and approves or denies the applicant as part of a board resolution. |

# Administrative Processes to Implement Resolution 09-18

## Slide 2 of 2: Activities for Reviewing Applications against Criteria



| Criteria  | Activities  | Data Sources  |
|---|---|---|
| 1. Distressed Region or Enterprise Zone                     | <ul style="list-style-type: none"> <li>Review application address</li> <li>Determine block group of address and median income</li> <li>Determine if address is in an Enterprise Zone</li> </ul> | <ul style="list-style-type: none"> <li>U.S. American Community Survey</li> <li>Louisiana Economic Development database</li> </ul> |
| 2. Quality Jobs in Line with Louisiana Quality Jobs Program | <ul style="list-style-type: none"> <li>If relevant information is not in the application, contact applicant to verify that new jobs will meet the qualify jobs program.</li> </ul>              | <ul style="list-style-type: none"> <li>Applicant</li> </ul>   |
| 3. New Hires as NOLA Residents                              | <ul style="list-style-type: none"> <li>If relevant information is not in the application, contact applicant to verify that new jobs will meet the qualify jobs program.</li> </ul>              | <ul style="list-style-type: none"> <li>Applicant</li> </ul>   |
| 4. Construction Not Yet Commenced                           | <ul style="list-style-type: none"> <li>Review construction start date included in the application</li> </ul>  | <ul style="list-style-type: none"> <li>Application materials from LA Board of Commerce and Industry 6</li> </ul>                  |



Each month that we receive a new application:

1. District administration will review the application against OPSB's criteria.
2. OPSB will have the application included on its Board meeting agenda(s).



**THANK YOU!**