

2023-0124

INTRODUCED BY: MATTHEW JEWELL, PARISH PRESIDENT

ORDINANCE NO. 23-6-3

An ordinance approving and authorizing the execution of an Agreement by and between Diamond Green Diesel, LLC, St. Charles Parish, St. Charles Parish School Board, St. Charles Parish Law Enforcement District, St. Charles Parish Assessment District, Hospital Service District No. 1 of the Parish of St. Charles, Louisiana, and Pontchartrain Levee District to support the expansion of Foreign Trade Subzone 124 A to include Diamond Green Diesel operations at the IMTT Terminal in St. Rose, Louisiana.

WHEREAS, Valero Refining – New Orleans, LLC (VRNO), is the current user of Foreign Trade Subzone 124 A located in St. Charles Parish, Louisiana, where VRNO operates a petroleum refinery; and,

WHEREAS, Diamond Green Diesel, LLC (DGD), is in the business of manufacturing renewable fuels, and seeks to expand Subzone 124 A to accommodate the operation of the DGD renewable fuels business under Foreign Trade Zone procedures, to include tankage dedicated to DGD at the International – Matex Tank Terminals, LLC (IMTT) St. Rose Terminal to the Subzone's boundaries; and,

WHEREAS, support of St. Charles Parish is needed to move forward with the expansion of Subzone 124 A operations to include DGD; and,

WHEREAS, the Foreign Trade Zone Act of 1934 exempts inventory from local ad valorem taxation; and,

WHEREAS, St. Charles Parish has agreed to support the expansion of said subzone provided DGD waives application of the local ad valorem tax exemption.

THE ST. CHARLES PARISH COUNCIL HEREBY ORDAINS:

SECTION I. That the Agreement by and between Diamond Green Diesel, LLC, St. Charles Parish, St. Charles Parish School Board, St. Charles Parish Law Enforcement District, St. Charles Parish Assessment District, Hospital Service District No. 1 of the Parish of St. Charles, Louisiana, and Pontchartrain Levee District to expand Foreign Trade Subzone 124 A is hereby approved.

SECTION II. That the Parish President is hereby authorized to execute said Agreement on behalf of St. Charles Parish.

The foregoing ordinance having been submitted to a vote, the vote thereon was as follows:

YEAS: FONSECA, DARENSBOURG GORDON, CLULEE, GIBBS, DUFRENE, BELLOCK, FISHER -CORMIER

NAYS: NONE

ABSENT: BILLINGS

ABSTAIN: FISHER

And the ordinance was declared adopted this 5th day of June, 2023, to become effective five (5) days after publication in the Official Journal.

ACTING CHAIRMAN: [Signature]
SECRETARY: Michelle Dupontato
DLVD/PARISH PRESIDENT: June 6, 2023
APPROVED: [Signature] DISAPPROVED: _____

PARISH PRESIDENT: Matthew Jewell
RETD/SECRETARY: June 6, 2023
AT: 11:30 am RECD BY: [Signature]

Agreement

Foreign Trade Subzone 124 A

THIS AGREEMENT is entered into by and between:

Diamond Green Diesel, LLC, 14891 East Airline Highway, Norco, LA 70079 herein represented by Martin Loeber, Attorney – in – Fact.

St. Charles Parish, 15045 River Road, Hahnville, LA 70057 herein represented by Matthew Jewell, Parish President, duly authorized by Ordinance No. 23-6-3, dated June 5, 2023.

St. Charles Parish School Board, 13855 River Road, Luling, LA 70070, herein represented by Art Aucoin, its President, duly authorized by Resolution of the St. Charles Parish School Board adopted on June 14, 2023.

St. Charles Parish Law Enforcement District, 260 Judge Edward Dufresne Parkway, Luling, LA 70070 herein represented by Sheriff Gregory C. Champagne, its Chief Executive Officer.

St. Charles Parish Assessment District, 15045 River Road, Hahnville, LA 70057, herein represented by Assessor Tab Troxler, its Chief Executive Officer.

Hospital Service District No. 1 of the Parish of St. Charles, Louisiana, 1057 Paul Maillard Road, Luling, LA 70070, herein represented by James “Jake” Lemmon, its Chairman.

Pontchartrain Levee District, 2069 Railroad Avenue, Litcher, LA 70071, herein represented by Senecca Boudreaux, its President, duly authorized by Resolution of the Board of Commissioners adopted on JUNE 14th, 2023.

WHEREAS, Valero Refining- New Orleans, LLC (VRNO), a wholly owned subsidiary of Valero Energy Corporation, is the current user of Foreign Trade Subzone 124A located in St. Charles Parish, Louisiana, where VRNO operates a petroleum refinery; and

WHEREAS, Diamond Green Diesel, LLC (DGD), an affiliate of Valero Energy Corporation, is in the business of manufacturing renewable fuels, and seeks to expand Subzone 124A to accommodate the operation of the DGD renewable fuels business under Foreign Trade Zone procedures, to include tankage dedicated to DGD at the International – Matex Tank Terminals, LLC (IMTT) St. Rose Terminal, St. Rose Terminal, 11842 River Road, St. Rose, Louisiana to the Subzone’s boundaries; and

WHEREAS, support of St. Charles Parish is needed to move forward with the expansion of Subzone 124A operations to include DGD; and

WHEREAS, the St. Charles Parish Tax Assessor is responsible for listing and valuing all taxable property in St. Charles Parish; and

WHEREAS, Section 810(e) of the Foreign-Trade Zones Act of 1934 (19 USC §810(e)) exempts inventory meeting specified criteria held in an activated Foreign Trade Zone from local ad valorem tax; and

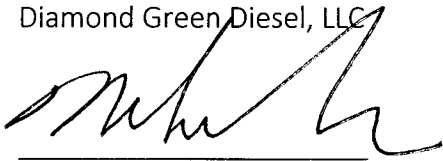
WHEREAS, St. Charles Parish has agreed to support the expansion of Subzone 124A for DGD renewable fuels operations provided that DGD waives application of the tax exemption provided by Section 810(e) to DGD inventory;

NOW, THEREFORE, in exchange for the consideration stated below, it is agreed by the Parties:

1. Letter of Support. St. Charles Parish taxing authorities, agree to execute a letter of support for expansion of Subzone 124A to include DGD operations at the International Matex Tank Terminals, LLC, St. Rose Terminal, 11842 River Road, St. Rose, Louisiana in the form attached as Exhibit "A," and take other actions as may be needed to evidence such support.
2. Waiver of FTZ tax exemption. DGD hereby waives application of the tax exemption provided by Section 810(e) of the Foreign Trade Zone Act with regard to any inventory located within Subzone 124A which is owned by DGD or intended to be used by DGD in its production of renewable fuels. DGD agrees to take no action to claim the exemption provided by Section 810(e), and will pay inventory taxes as if the Foreign Trade Zone did not exist. This waiver applies only to inventories owned by DGD or used in the DGD renewable fuels business, and has no application to any inventory owned or used by VRNO in the production of petroleum products.
3. Assessment. The St. Charles Parish Assessor will list and value, as taxable property, inventory owned or used by DGD in the renewable fuels business without regard to Foreign Trade Zone status of DGD operations. Said assessment shall be taxed as provided by the Laws of the State of Louisiana and the Rules and Regulations of the Louisiana Tax Commission.

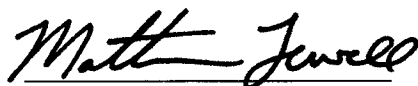
Thus done and signed this 13 day of July 2023.

Diamond Green Diesel, LLC



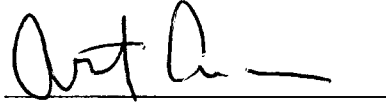
By: Martin Loeber, Attorney – in – Fact

St. Charles Parish



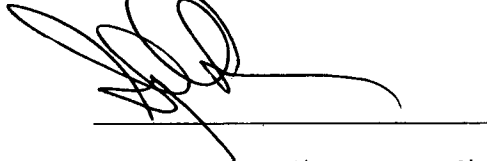
By: Matthew Jewell, Parish President

St. Charles Parish School Board



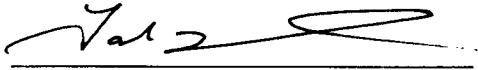
By: Art Aucoin, President

St. Charles Parish Law Enforcement District



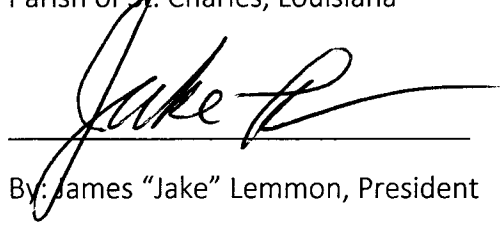
By: Gregory C. Champagne, Sheriff

St. Charles Parish Assessment District




By: Tab Troxler, Assessor

Hospital Service District No. 1 of the
Parish of St. Charles, Louisiana



By: James "Jake" Lemmon, President

Pontchartrain Levee District



By: Senecca Boudreaux, President



ST. CHARLES PARISH

OFFICE OF THE PARISH PRESIDENT

MATTHEW JEWELL
PARISH PRESIDENT

Exhibit A

June 19, 2023

Ms. Liz Whiteman
Executive Secretary
Foreign-Trade Zones Board
US Department of Commerce
1401 Constitution Ave., NW, Room 21013
Washington, DC 20230

Re: Foreign Trade Subzone 124A Expansion

Dear Ms. Whiteman:

We understand that Valero Refining-- New Orleans, LLC and Diamond Green Diesel, LLC will be seeking expansion of Foreign Trade Subzone 124A located in St. Charles Parish for the Diamond Green renewable fuels business to include tankage dedicated to Diamond Green at the International – Matix Tank Terminal, St. Rose Terminal, 11842 River Road, St. Rose, Louisiana in the Subzone's boundaries. We understand that Diamond Green's imported inventory and inventory held for export at the FTZ would be eligible for an exemption from ad valorem tax under the Foreign Trade Zones Act. Diamond Green has agreed to forgo the foreign trade zone tax exemption for Diamond Green inventory. We recognize the importance of Subzone 124A operations for Valero, Diamond Green, and our community, and on behalf of the St. Charles Parish taxing authorities, express our support for expansion of the Subzone.

Sincerely,

Matthew Jewell
Parish President

Art Aucoin
School Board President

Gregory C. Champagne
Sheriff

Tab Troxler
Assessor

James "Jake" Lemmon
Hospital Board Chairman

Seneca Boudreaux
Levee Board President