

Ord.
2007-0173

INTRODUCED BY: ALBERT D. LAQUE, PARISH PRESIDENT
(DEPARTMENT OF ECONOMIC DEVELOPMENT & TOURISM)

ORDINANCE NO. 07-6-3

An ordinance to approve and authorize the execution of a Cooperative Endeavor Agreement with the REG Destrehan, LLC.

WHEREAS, Article VII, Section 14(C) of the Louisiana Constitution of 1974, as amended, authorizes the State of Louisiana and its political subdivisions, including the Parish, to engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation or individual, for a public purpose, and the Parish has found and determined that the economic benefits from the Development described below constitute a valid public purpose for which such a cooperative endeavor may be entered into; and,

WHEREAS, REG is negotiating for the long term use of certain property located either within the existing industrial footprint of the International Matex Tank Terminal facilities in St. Rose, Louisiana, or on a site owned by Bunge North America, Inc., near Destrehan, Louisiana; and,

WHEREAS, REG desires to develop a 54 million gallon biodiesel production facility; and,

WHEREAS, the Parish acknowledges and agrees that the Development will result in increased tax revenues to the Parish and will lead to additional economic activity in the Parish, resulting in many new jobs generated for employees engaged in the construction and ongoing operation of the Development and that the Development will thereby advance the economic base of the Parish, as well as the prosperity and welfare of its citizens, and is a direct benefit to the Parish and its residents; and,

WHEREAS, in consideration of the acquisition and construction of the Development and the provision by REG of certain economic benefits to the Parish, the Parish desires to offer payment of certain amounts to REG as consideration for REG's agreement to provide certain economic benefits to the Parish in the form of the Development itself, added employment, enhanced tax revenues and other tangible and intangible economic benefits to the Parish resulting from the Development; and,

WHEREAS, it is the desire of the Parish Council to approve said funding request to ensure the stability of this successful, economic development effort.

THE ST. CHARLES PARISH COUNCIL HEREBY ORDAINS:

SECTION I. That the Cooperative Endeavor Agreement between the REG Destrehan, LLC and St. Charles Parish is hereby approved.

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

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

YEAS: FAUCHEUX, HILAIRE, FABRE, RAMCHANDRAN, WALLS, BLACK, DUHE, MINNICH

NAYS: NONE

ABSENT: MARINO

And the ordinance was declared adopted this 4th day of June, 2007, to become effective five (5) days after publication in the Official Journal.

CHAIRMAN: *Paul Black*

SECRETARY: *Barbara Jane Tucker*

DLVD/PARISH PRESIDENT: *June 5, 2007*

APPROVED: _____ DISAPPROVED: _____

PARISH PRESIDENT: *Albert D. Laque*

RETD/SECRETARY: *June 5, 2007*

AT: *11:20 AM*

REC'D BY: *BSF*

COOPERATIVE ENDEAVOR AGREEMENT
Pursuant to Article VII, Section 14(C)
of the Louisiana Constitution of 1974

BE IT KNOWN that on the date(s) hereinafter mentioned, before the undersigned Notaries Public, duly commissioned and qualified in and for the states and in the parishes or counties hereinafter mentioned, and in the presence of the undersigned competent witnesses, personally came and appeared

REG DESTREHAN, LLC, a limited liability company organized under the laws of the State of Iowa and qualified to do business in the State of Louisiana ("REG"), whose mailing address is 406 First St., Ralston, Iowa 51459, and whose registered address in Louisiana is 320 Somerulos St., Baton Rouge, Louisiana 70802-6129, appearing herein through Daniel J. Ch its C O O, duly authorized hereunto, and

PARISH OF ST. CHARLES, STATE OF LOUISIANA, a political subdivision of the State of Louisiana (the "Parish"), whose mailing address is P.O. Box 302, Hahnville, Louisiana 70057, appearing herein through Albert D. Laque, its Parish President, duly authorized hereunto,

REG and the Parish may together be referred to herein as the "Parties".

BASIC FACTS:

WHEREAS, Article VII, Section 14(C) of the Louisiana Constitution of 1974, as amended, authorizes the State of Louisiana and its political subdivisions, including the Parish, to engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation or individual, for a public purpose, and the Parish has found and determined that the economic benefits from the Development described below constitute a valid public purpose for which such a cooperative endeavor may be entered into; and

WHEREAS, REG is negotiating for the long term use of certain property located either within the existing industrial footprint of the International Matex Tank Terminal facilities in St. Rose, Louisiana, or on a site owned by Bunge North America, Inc., near Destrehan, Louisiana, both in the Parish of St. Charles, Louisiana (the "Land"); and

WHEREAS, upon completion of the negotiation for the use of the Land, REG desires to develop a bio-diesel production facility and related facilities on approximately 10 acres of the Land, which facilities shall be collectively referred to herein as the "Development" or the "Facility"; and

WHEREAS, the Preliminary Site Plan for the Development has been furnished to the Parish; however, the Parish understands that the Preliminary Site Plan is not final and will change as the Development progresses, and that the Preliminary Site Plan has been provided for purposes of setting forth the basic conceptual nature of the Development upon which the agreements of the Parties set forth herein are based; and

WHEREAS, the Parish acknowledges and agrees that the Development will result in increased tax revenues to the Parish and the State, and will lead to additional economic activity in the Parish, that as a result of the Development, many new jobs will be generated for employees engaged in the construction and ongoing operation of the Development and that the Development will thereby advance the economic base of the Parish and the State, as well as the prosperity and welfare of its citizens, and is a direct benefit to the Parish, the State and its residents; and

WHEREAS, in consideration of the acquisition and construction of the Development and the provision by REG of certain economic benefits to the Parish, the Parish desires to offer the following incentives related to the Development: (i) the issuance of up to \$100,000,000 in conduit revenue GO Zone Bonds for the Development (the "Bonds"), and (ii) the payment of certain amounts by the Parish to REG as consideration for REG's agreement to provide certain economic benefits to the Parish in the form of the Development itself, added employment, enhanced tax revenues and other tangible and intangible economic benefits to the Parish resulting from the Development (collectively the "Parish Incentives"); and

WHEREAS, the Parish further intends to assist REG by helping it qualify for any State provided incentives that may be available, such as (i) pursuit of any Louisiana Economic Development Awards Program ("EDAP") funds that the Development qualifies for, (ii) Enterprise Zone benefits, (iii) Quality Jobs program, (iv) Capital Outlay funds, and/or (v) any other incentive benefit or programs available from the State of Louisiana (the "State Incentives"); and

WHEREAS, the Parish Incentives are not intended to be given gratuitously, but rather shall be in consideration of (i) REG's agreement to provide certain economic benefits to the Parish as further described herein, and (ii) the actual furnishing to the Parish of those economic benefits in the manner set forth herein; and

WHEREAS, the Parish and REG have determined, and do by this Cooperative Endeavor Agreement jointly find and determine, that there is a reasonable expectation that the Development and the economic benefits accruing therefrom serve a public purpose and that, based solely on financial projections and other information provided to the Parish by REG, the proposed payments by the Parish to REG under the terms of this Cooperative Endeavor Agreement will be less than the financial benefits to be received by the Parish as a result of the Development;

NOW, THEREFORE, in consideration of the joint benefits which the Parties derive from this undertaking, and in accordance with the provisions of Article VII, Section 14(C) of the Louisiana Constitution of 1974, as amended, and other constitutional and statutory authority supplemental thereto, the Parties establish the following intentions:

ARTICLE I

UNDERTAKINGS ON THE PART OF THE PARISH

Subject to the approval of all public bodies, including, without limitation, the Parish Council and subject to legality:

1.01 The Parish will support the issuance of up to \$100,000,000 in the form of conduit revenue GO Zone Bonds or taxable bonds at the option of REG for the Development (the "Bonds"), subject to all State approvals. The Bonds will be issued under the authority of Sections 991 to 1001, inclusive and Section 1430 of Title 39 of the Louisiana Revised Statutes of 1950, as amended, and other constitutional and statutory authority. The Bonds will not be general obligations of the Parish but will be limited and special revenue obligations of the Parish payable solely from the income, revenues and receipts derived or to be derived from payments made, or collections obtained, pursuant to a Financing Agreement to be entered into by and between the Parish and REG, and other moneys pledged under a Trust Indenture to be entered into by and between the Parish and Hancock Bank of Louisiana, as Trustee.

1.02 Subject to Article II below, the Parish will provide the Development with Cooperative Endeavor assistance based on the following schedule:

Development Year	Cooperative Endeavor Assistance
11	\$ 107,454
12	\$ 100,925
13	\$ 92,776
14	\$ 84,637
15	\$ 74,879
16	\$ 66,750
17	\$ 60,113
18	\$ 56,864
19	\$ 53,614
20	\$ 51,990

1.03 Payments pursuant to the preceding paragraph shall be made in a single payment by the Parish to REG no later than December 31 of each year, commencing no later than December 31, 2011 (which shall be considered as "Development Year 11" in the foregoing table). Payment shall be by check of the Parish mailed to REG at the address specified by REG to the Parish no later than the due date each year.

1.04 The Parish will apply for and assist REG in qualifying for any incentives available through State programs that may be available, such as (i) pursuit of any Louisiana Economic Development Awards Program ("EDAP") funds that the Development or related costs of the Development qualify for, (ii) Enterprise Zone benefits, (iii) Quality Jobs program, (iv) Capital Outlay funds, and/or (v) any other incentive benefit programs available from the State of Louisiana (the "State Incentives").

1.05 Any payments made by the Parish hereunder are conditioned on REG's compliance with certain undertakings set forth herein, and as such are found to be reciprocal and are further found not to be a gift, gratuity or liberality, nor a gratuitous alienation of public property, considering the compliance with the said undertakings and the economic benefits accruing and to accrue to the Parish as a result of the Development as described under "Basic Facts" above.

1.06 The Parties understand and intend that the obligation of the Parish to make the payments outlined in Section 1.02 shall be subject to annual appropriation by the governing authority of the Parish, shall constitute a current expense of the Parish and shall not in any way be construed to be a debt of the Parish in contravention of any applicable constitutional or statutory limitation or requirement governing the creation of indebtedness by the Parish, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or monies of the Parish.

ARTICLE II

UNDERTAKINGS ON THE PART OF REG

2.01 REG will assist and cooperate with the State and the Parish in achieving their undertakings hereinabove described

2.02 REG will continue its efforts to bring the Development to fruition, including without limitation, continuation of its efforts to (i) obtain sufficient occupancy of the Land, (ii) prepare final plans and specifications, (iii) negotiate with purchasers of product, and (iv) otherwise take such steps typical for a Development of this type.

2.03 REG will annually employ an average of at least twenty-five (25) full-time employees with an annual payroll of \$1,000,000. Should REG employ an average of fewer than twenty-five (25) full-time employees at the Facility in a calendar year, then the incentive payment described in Section 1.02 above that is due in the ensuing calendar year shall be reduced by a factor of four percent (4%) multiplied by the difference between the number twenty-five (25) and the actual average number of full-time employees at the Facility during the calendar year in question.

2.04 At least 35% of REG's workforce will reside in St. Charles Parish or the company will make "reasonable efforts" to fill job openings with St. Charles Parish residents. For the purposes of calculating the employment performance requirements, the average number of St. Charles Parish residents and non-residents employed at the Facility on a full time basis shall be determined on a quarterly basis, based on the payroll records of the Company, and averaging such number of employees during each quarterly period, and such quarterly averages shall be averaged for each calendar year. As used herein, "reasonable efforts" shall mean that the Company shall offer all job openings to St. Charles Parish residents exclusively for the initial twenty-one (21) calendar days, except for one (1) upper-level laboratory and one (1) upper-level safety position which shall be offered exclusively for the initial fourteen (14) calendar days, for the offering of job opportunities at the Facility through the following means:

a. During the twenty-one (21) calendar day period and the fourteen (14) calendar period for the job opportunities, all job listings shall, subject to compliance with applicable laws, be advertised exclusively in the St. Charles Herald Guide or in its absence, any comparable newspaper designated by the Parish, and the Louisiana Department of Labor's local One-Stop Job Service Office; and

b. Notification of job opportunities shall be provided to the St. Charles Parish Department of Economic Development and Tourism before the positions are posted on the company website; and

c. During each of the first two (2) Operating Years and in Operating Year eleven (11), the Company will conduct a job fair in the Parish, and at make at least one (1) appearance on the "Experience St. Charles" or similar television show on the government access channel of the Parish's local cable service provider.

d. In the event the Company is unable to fill its job openings with St. Charles Parish residents during the foregoing periods, the Company shall have the right to advertise and solicit applications for the job openings to residents of any Parish or State through any means available, including without limitation advertisement outside the Parish and the Company may receive the maximum Cooperative Endeavor Assistance regardless of the residence of any new employees, provided that the Company has exercised "reasonable efforts" as herein provided. Notwithstanding anything herein to the contrary, the Company shall be entitled, without any loss of assistance from the Parish, to (i) fill positions internally from within the Company or its affiliates or from facilities managed by it or its affiliates without compliance with this Section and (ii) fill the General Manager and Operations Manager positions without compliance with this Section.

2.05 REG will commence construction of the Development within sixty (60) days of the delivery of the bonds and complete and occupy the Development within twenty (20) months of commencement of construction, subject to *force majeure*.

2.06 REG will make a good faith effort to use local vendors and suppliers. The Company shall file annually on the prescribed form an Affidavit of Local Purchases showing the names of each St. Charles Parish vendor utilized by the Company and a cumulative annual total of the value of purchases with all St. Charles Parish and non-St. Charles Parish vendors.

2.07 REG will use the proceeds of the bonds to construct a bio-diesel manufacturing facility, capable of annually producing at least 50 million gallons, and necessary infrastructure, furnishings and equipment suitable for operation of the Development.

2.08 REG recognizes that the incentives offered by St. Charles Parish are annual estimates based on the Development's financial impact to St. Charles Parish. REG will provide the Parish with necessary information and records to certify the project data provided by the Company pursuant to the terms hereof. REG understands that the incentives offered by St. Charles Parish may change if the company does not meet certain Capital Investment expenditures, Employment and Operating Performance obligations that the company previously submitted to the State of

Louisiana and St. Charles Parish. REG further understands that such incentives are subject to annual appropriation and approval by the St. Charles Parish Council. Any failure by REG to satisfy any condition or undertaking on its part in this Agreement may result in forfeiture of future assistance only as the sole remedy of the parish of the Parish and shall not be the basis of any claim for a refund, damages or other relief by the Parish against REG.

2.09 REG shall obtain the government approvals necessary to execute this Cooperative Endeavor Agreement, as required by law.

ARTICLE III

MISCELLANEOUS

3.01 This Cooperative Endeavor Agreement shall inure to the benefit of the parties hereto.

3.02 This Cooperative Endeavor Agreement may be executed in counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which when taken together, shall constitute but one and the same Cooperative Endeavor Agreement.

3.03 This Agreement shall be effective on June 4, 2007.

3.04 Nothing in this Agreement expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Parties any right, remedy or claim under or by reason of this Cooperative Endeavor Agreement or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements contained herein shall be for the sole and exclusive benefit of the Parties.

3.05 Whenever in the Cooperative Endeavor Agreement any party or governing authority is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements contained herein shall bind and inure to the benefit of said successors and assigns whether so expressed or not.

3.06 In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of hereof, but this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained therein. Any constitutional or statutory provision enacted after the date hereof which validates or makes legal any provision of this Agreement which would not otherwise be valid or legal shall be deemed to apply to this Agreement.

3.07 This Agreement may be amended only by written agreement signed by both of the Parties.

THUS DONE AND PASSED on June 4, 2007, in the State of Louisiana, Parish/County of St. Charles, in multiple original counterparts before the undersigned competent witnesses who have signed hereto together with said appearer and the undersigned Notary Public after due reading of the whole.

WITNESSES:

REG DESTREHAN, LLC

Scott Wemmert
Print Name:

Chris Hofbauer
Print Name:

By: Renewable Energy Group, Inc.
Title: Dan Johnson
Daniel J. Johnson
Chief Operating Officer



HOLLIE R. MORGAN
Commission Number 220187
MY COMM. EXP. JAN. 15, 2008

Hollie R Morgan
Notary Public
Printed Name: Hollie R Morgan
My Commission Expires: 1-15-08
Bar Roll/Notary Number: 220187

THUS DONE AND PASSED on July 23, 2007, in the State of Louisiana, Parish of St Charles, in multiple original counterparts before the undersigned competent witnesses who have signed hereto together with said appearer and the undersigned Notary Public after due reading of the whole.

WITNESSES:

PARISH OF ST. CHARLES,
STATE OF LOUISIANA

Gregory E. Busia
Print Name: GREGORY E. BUSIA

Timothy J. Vial Timothy J. Vial
Print Name:

By: Albert Q. Vignier
Title:

Robert L. Raymond
Notary Public
Printed Name: Robert L. Raymond
My Commission Expires: at my death
Bar Roll/Notary Number: LSBA #11408