

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 2	(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.

