

PROCEEDINGS OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE INDUSTRIAL DEVELOPMENT BOARD OF THE PARISH OF CADDO, INC., HELD AT 9:00 A.M. ON THURSDAY, MAY 26, 2022.

The Board of Directors (the "Board") of the Industrial Development Board of the Parish of Caddo, Inc. (the "IDB"), met in special session at the Government Chamber Conference Room, 505 Travis St. (1st Floor), in Shreveport, Louisiana, on Thursday, May 26, 2022, at 9:00 a.m. CDT, pursuant to the following written notice, which had been given to each member of the Board, and duly posted more than 24 hours prior to the meeting at the front door of 505 Travis St., being the location of the offices of the Caddo Parish Commission and the principal office of the IDB, in the manner provided by the Open Meetings Law:

\* \* \* \* \*

**INDUSTRIAL DEVELOPMENT BOARD  
OF THE PARISH OF CADDO, INC.**

**NOTICE OF SPECIAL MEETING  
(In-Person Meeting)**

**NOTICE IS HEREBY GIVEN** that a special meeting of the Board of Directors of the Industrial Development Board of the Parish of Caddo, Inc. (the "Board"), has been called by the President and that the meeting will be held at **505 TRAVIS ST., GOVERNMENT CHAMBER CONFERENCE ROOM (1st FLOOR), SHREVEPORT, LOUISIANA, on THURSDAY, MAY 26, 2022 at NINE O'CLOCK (9:00) A.M., CENTRAL DAYLIGHT TIME**, for the following purposes, to-wit:

1. Roll Call.
2. Approval of Minutes of February 15, 2022 IDB Meeting (Kyle McInnis).
3. Discuss and consider adoption of resolution authorizing an economic development grant for "Project Bia" (Kyle McInnis).
4. Discussion of IDB General Counsel (Kyle McInnis).
5. Financial Report, including status of annual audit and fund balances (Brad Schmidt).
6. Public Comments.
7. Other Business (pursuant to R.S. 42:19, unanimous consent is required to amend agenda).
8. Adjournment.

This will be an important meeting and all interested parties are urged to attend.

May 23, 2022

**INDUSTRIAL DEVELOPMENT BOARD  
OF THE PARISH OF CADDO, INC.**

\* \* \* \* \*

There were present: Kyle McInnis Brad Schmidt  
LaSonya Moore Ricky Hall  
Zazell Dudley William C. Bradford (see footnote 1)  
Fred White Marvin Muhammad (see footnote 1)  
P. Clay Hargett

There was absent: G. Archer Frierson, III and Kay Proby-Waller

Also present were: David M. Wolf, Adams and Reese, LLP (via Zoom)  
Cate Creed, Adams and Reese, LLP (via Zoom)  
Henry Bernstein, Assistant Caddo Parish Attorney  
Jeff Everson, Caddo Parish Commission Clerk  
Ana Rodriguez & Al Forte, Bia Energy (via Zoom)  
Mike Busada, Butler Snow LLP  
Shante Wells, Washington & Wells Lawfirm  
Alex Washington, Washington & Wells Lawfirm  
Joshua Leonard, Washington & Wells Lawfirm  
Latronia Durham, Durham Transport Services, Inc.

### **Agenda Items 1 and 2 - ROLL CALL & APPROVAL OF MINUTES**

The Board was duly convened as the governing authority of the IDB by Kyle McInnis, President at 9:10 am. After a roll call, it was announced that seven members and a quorum was present<sup>1</sup>. The President then stated that the Board was ready for the transaction of business.

The minutes of the February 15, 2022, Board meeting, which had been previously furnished by special counsel to each IDB member immediately after the prior meeting, in draft form on February 15, 2022, and again on May 23, 2022, along with the meeting notice, were presented; Fred White moved to dispense with the reading of the minutes and accept the minutes as presented, which motion was seconded by Zazell Dudley, and approved without objection.

### **Agenda Item 3 - BIA ENERGY REQUEST**

Mr. McInnis introduced Ana Rodriguez and Al Forte, representing Bia Energy<sup>2</sup>, who were attending the meeting via Zoom.

Ms. Rodriguez explained that Bia Energy has been considering Caddo Parish as a project site since 2018 (the slides presented by Ms. Rodriguez are reproduced in these minutes later in this section).

---

<sup>1</sup> William C. Bradford arrived after the roll call at approximately 9:20 am, and Marvin Muhammad arrived at approximately 9:22 am.

<sup>2</sup> According to their website at [www.bia.energy](http://www.bia.energy), "BIA Energy is a privately held energy service and solutions company focusing on renewable technology and AI integration. The Company generates revenue through global procurement partnerships via Business to Business (B2B) and Direct to Consumer (D2C) sales of energy contracts and premium energy services worldwide. BIA Energy manages international energy projects and procurement operations from its two corporate headquarters locations in London, UK, and Silicon Valley, USA."

The proposed project is a greenfield, "Blue Methanol" production facility with significantly reduced greenhouse gas emissions. The carbon that results from the production of Blue Methanol is captured for other uses or sequestered rather than being released into the atmosphere. Blue methanol is a small percentage (about 3%) of the overall world methanol production. This would be a 530,000 metric ton/year production facility, which is 1/2 to 1/3 the capacity of similar plants. The company has identified a location at the Shreveport-Bossier Port, but they are eventually looking to double or triple the original capacity at the port site. The location of the plant in this area, in proximity to the gas produced in the Haynesville Shale, is advantageous; not to mention the access to infrastructure and transportation at the Port site.

The initial plant would provide about 75 high-paying permanent jobs (\$80,000/year, or more, with benefits), with 450-500 indirect jobs in North Louisiana. They are hoping to make a Final Investment Decision ("FID") later in 2022, construction to start in 2023 and commercial operation at the end of 2024.

Bia is also partnering with other project participants and investors, including BD Energy and S&B Engineers, out of Houston, among others.

[IDB Director William C. Bradford arrived at this point in the discussions, 9:20 a.m.].

Ms. Rodriguez stated that Bia had a commitment from a company in Houston for project offtake of 100% of their production, and that they are in negotiation with natural gas supply companies, all with a "very large presence at the Port and the Haynesville Shale area in general."

Then it was explained that the Caddo-Bossier Parishes Port Commission ("CBPPC") will be the issuer of about \$650,000,000 of non-recourse bonds (both taxable and tax-exempt) to provide debt financing for the total expected \$950 million cost of the project, and the Company is presently looking for about \$300 million from equity investors.

[IDB Director Marvin Muhammad arrived at this point in the discussion, 9:22 a.m.].

Other pertinent aspects of the presentation are covered in the slides, copies of which follow this part of the minutes, including mention of the fact that there has been a lot of work on bond documents, and that they are expecting a BB- bond rating<sup>3</sup> from Standard & Poor's.

The company is asking the IDB to consider a \$150,000 economic development grant to help them bridge expenses over the next couple of months, for (i) legal costs (final commercial agreement negotiation, bond documents), (ii) rating agency application fees and (iii) third-party consulting costs. They are expecting FID in the third quarter of this year, with simultaneous close of both equity and the bonds.

[Further discussion and questions follow the Company slides]

---

<sup>3</sup> BB ratings and below are considered speculative, according to Standard and Poor's rating explanations.



**Bia Energy Operating Company LLC**  
*U.S. Blue Methanol Project*  
**May 2022**  
*Caddo Parish Industrial Development Board*



## Executive Summary

### Project Overview

- Bia Energy Operating Company LLC (Bia) is proposing to design, build and operate a greenfield, **BLUE** methanol production facility with significantly reduced GHG emissions
- The facility will have globally leading CAPEX and OPEX costs by utilizing state-of-the-art technology, including repurposing a methanol synthesis reactor
- The proposed site in Shreveport, LA is strategically located with access to surrounding natural gas fields, utilities and infrastructure (including a river, major highway and railway)
- Commercial operation is anticipated to begin in Q3 2024
- Jobs: 75 permanent jobs at \$80k average; 450+ indirect new jobs in NW LA

### Project Participants

Name	Position	Years Experience
	• Project Sponsor with experience in manufacturing, investments, operation	30+
	• Technology provider • Operations & maintenance • Equity Investor	30+
	• Engineering, procurement and construction (EPC) • Equity Investor	50+
	• Independent market consultant • Independent technical consultant	40+
	• 100% Project offtaker	40+
	• Negotiating multiple gas supply agreements	30+

### Project Financing

Financing Structure	
Total Project Cost	~\$945m
Equity	~\$295m
Non-recourse municipal project bonds	~\$650m

### Key Project Milestones

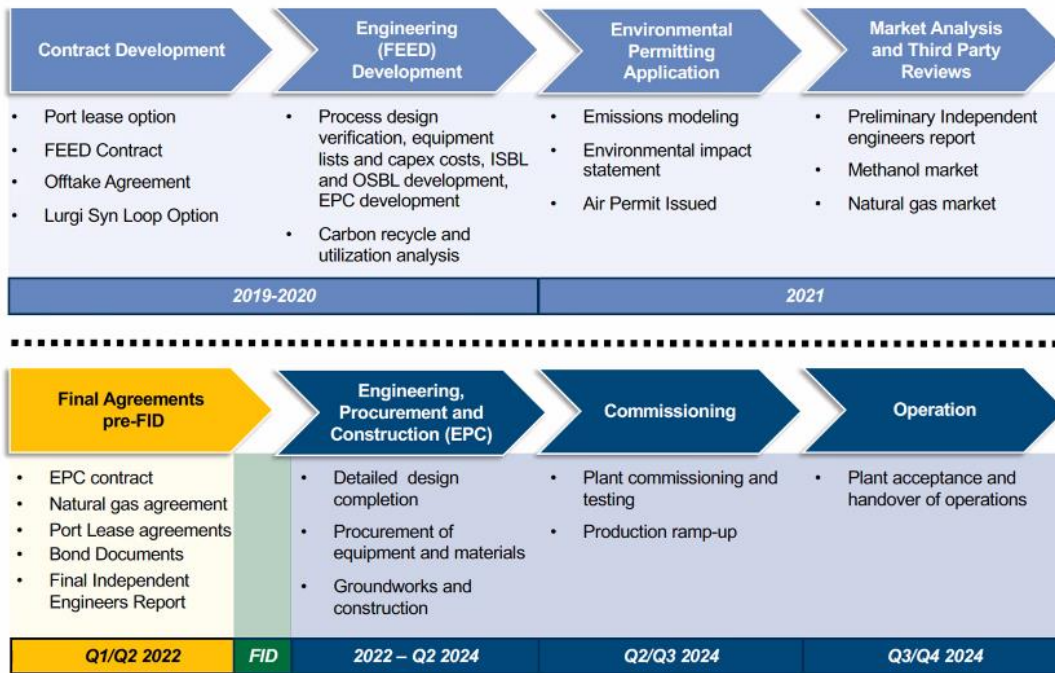
- ✓ Site selected and land agreements finalized
- ✓ Pre-FEED, FEED completed by BD Energy and S&B, Engineering Services Agreement signed with S&B
- ✓ Process design and technology selected
- ✓ Secured the purchase of used equipment
- ✓ Title V air permit issued
- ✓ LA State Bond Commission approval

### Project Location



530,000 MTA will more than double the waterborne tonnage at the Port

## Project Development Schedule



## Project Status

### Capital Raise

- FID has been prolonged and adversely impacted due to**
  - ▶ Unprecedented pandemic
  - ▶ Supply chain issues and significant increases in capital costs and labor, particularly in commodity prices and effects on equipment pricing, steel
  - ▶ Inflation, rising interest rates and the war in Ukraine resulted in investor "pause"
- Currently, there are several groups – large institutional investors – that are in the diligence stage**
  - ▶ Initial term sheets expected by July 1 followed by ongoing diligence and rating agency application
  - ▶ FID for a simultaneous close, expected in Q3 of this year
- The project has made *significant* progress with increased momentum over the last 6 months**
  - ▶ Self-funded through 2019
  - ▶ 2019 – present- Development capital raised from local investors and project partners (>\$17m)
- We are requesting \$150,000 in an economic development grant to help us bridge these next couple of months**
  - ▶ Legal costs – final commercial agreements negotiation, bond documents
  - ▶ Rating agency application fees
  - ▶ Third party consulting costs

Upon completion of the Company's presentation, Mr. McInnis opened the discussion by asking Ms. Rodriguez to clarify how much equity was needed, and the status of that equity raise. The answer was about \$300 million to raise, and that they have been talking with multiple investors, but that there is no firm commitment at this time. She also clarified that the \$950 million total capital need includes money to cover debt service during construction and contingencies (about \$200 million). Mr. Forte also stated that a similar request for funding for the \$150,000 had not been made to the Port Commission.

Responding to a question from Mr. McInnis, the Company said that early sitework should begin at the end of 2022, assuming favorable FID, but that the bulk of construction would be in 2023.

Mr. Hargis asked where the carbon sequestration would actually happen, and Ms. Rodriguez said that they were planning on basically outsourcing the carbon sequestration, and would probably involve a pipeline to some remote onshore sequestration location in Louisiana. She also stated that their raw materials would come by pipeline (the natural gas), and the equipment would be brought in by barge and truck, to be assembled on-site. Final product would go out mostly by barge and pipeline.

Mr. White asked about the source of approximately \$17 million of capital that had already been invested in the project. Ms. Rodriguez stated that about \$14 million had been provided by the engineering firms (presumably those involved in the design of the project). The other \$3-\$4 million have been used for legal and professional fees for consultants, funded by other smaller investors, including some local investors.

Mr. Muhammad asked about the bond financing, and Ms. Rodriguez stated that they were working on the issuance of about \$650 million of "taxable and tax-exempt" bonds and the remaining \$300 million would be equity investment. The site at the port is about 80 acres. The company is negotiating with two institutional equity investors, but don't have any firm commitments. The Company also clarified that they have a lease option for 88 acres of land at the port, both as a ground lease and a facilities lease.

Mr. Bradford asked for clarification of the use of the \$150,000 being requested, and Ms. Rodriguez responded that "primarily it is legal fees and third-party consulting fees."

There being no further questions, Ms. Rodriguez and Mr. Forte left the meeting.

Ms. Dudley stated that the CBPPC had invested in the project but that the Company had not written a check to the Company nor had the Company made a request for a similar \$150,000 grant. She pointed out that the CBPPC was poised to make infrastructure investments needed to make the project work, such as another dock. In response to a question from Mr. Bradford, Ms. Dudley also stated that the CBPPC was working out a payment in lieu of tax (PILOT) arrangement with the Company.

There being no further discussion, Mr. McInnis asked if there was a motion. Mr. Bradford moved to authorize the economic development grant requested by the Company, and Mr. Muhammad seconded the motion. After further discussion, Mr. Bradford offered an amendment to the original motion to make the grant payable only at the time of "groundbreaking" for the

project, and Mr. White seconded the substitute motion. Mr. Muhammad made an additional substitute motion that the award of the grant be made at "FID," but there was no second to that motion. At that point, Mr. Bradford made another substitute motion to his original motion to fund the \$150,000 request in the form of a loan, personally guaranteed by the three individual project principals, which loan would be forgivable at the time of a positive FID, which was seconded by Mr. Muhammad. There being no further discussion, the vote on the final motion was as follows:

For: Mr. White, Ms. Dudley, Ms. Moore, Mr. Bradford, Mr. Schmidt, and Mr. Muhammad.

Against: Mr. McInnis and Mr. Hargett.

#### **Agenda Item 4 - DISCUSSION OF IDB GENERAL COUNSEL**

A motion was made by Mr. Bradford, seconded by Mr. White to engage Butler Snow, LLC, as the IDB's new general counsel.

A substitute motion was made by Mr. Muhammad to engage Washington & Wells as the IDB's new general counsel, but there was no second to the substitute motion.

After further discussion, the vote on the original motion to engage Butler Snow, LLC was as follows:

For: Mr. McInnis, Mr. White, Mr. Hargett, Ms. Dudley, Mr. Bradford and Mr. Schmidt.

Against: Mr. Muhammad and Ms. Moore

#### **Agenda Item 5 - FINANCIAL REPORT**

Mr. Schmidt presented the IDB Financial report, stating that he was currently working with the auditors on the 2021 financial statement. He also stated that the most recent fund balance was \$1,852,400.35, and that there were grants requests pending for the following projects:

Project Bison (\$500,000)  
Project Quattro Louis (\$500,000)  
Call Center (\$150,000)  
Bia Energy (\$150,000)

#### **Agenda Item 6 - PUBLIC COMMENTS**

Mr. McInnis asked if there were any public comments, but there was none.

#### **Agenda Items 7 and 8 - OTHER BUSINESS & ADJOURNMENT**

Mr. Bradford recognized that Latronia Durham, CEO of Durham Transport Services, Inc., was present, stated that a few IDB members had visited the truck driving academy facilities and reminded the IDB that at some point she might come back to the IDB with a request for a grant to expand the facilities.

Mr. Muhammad asked about the status of the Cooperative Endeavor Agreement relating to the grant request for the Call Center in Shreveport, and Mr. Wolf responded that he had yet to receive any draft agreement from the Parish.

There being no other business to come before the Board, it was moved by Ms. Dudley, seconded by Mr. Bradford, and approved without objection that the meeting be adjourned.

(Adjournment at approximately 10:40 a.m.)

Draft Only