



The PILOT Program

What is it?

A Payment-in-Lieu-of-Taxes (PILOT) agreement is a contractual incentive payment made between a business and an eligible tax-exempt entity to replace a portion of the local property taxes that would otherwise be paid on new assets. PILOTs are often used as an economic development tool structured to offer favorable tax reductions to companies that create high-impact investments in a community.

As a political subdivision of the State of Louisiana, St. Tammany EDC (STEDC) was created to foster business development and advance sustainable commerce in St. Tammany Parish. Because of this status, STEDC can negotiate and enter into PILOT agreements with companies as an incentive to locate, expand, or remain in St. Tammany. When structuring a PILOT, STEDC negotiates an annual PILOT-payment for eligible projects that is lower than the property taxes that would otherwise be due. During the term of the PILOT, STEDC retains symbolic ownership of the incentivized project improvements, leasing said assets back to the company for “rent” equal to the agreed-upon sum or terms. Favorable terms/rates are considered based on the determined positive benefit the project provides to St. Tammany Parish.

Who is Eligible?

Any company looking to locate or expand in St. Tammany Parish may apply, however there is baseline criteria that needs to be present for a PILOT Incentive to be feasible, including:

- Project Capital Expenditures in excess of \$5 million
- Creation of 10 new full-time jobs
 - STEDC may consider waving the new job creation requirement for business retention cases
- At least 50% of the jobs must meet or exceed the local average salary
 - Average annual wage in St. Tammany is \$58,212 (JobsEQ, 2024)
- If above criteria are met, project must undergo an economic impact analysis

Examples of Eligible Projects

Eligible projects may include new commercial development, industrial facilities, or other high-impact development projects that align with economic development strategic goals and parish-wide initiatives that generate a net positive economic impact to the community. Such projects may include, but are not limited to, corporate office developments, small business developments, workforce housing, high-value retail, and specific infrastructure development projects. Workforce housing projects must be developed and operated by registered non-profit development companies.



How it Works?

1. STEDC analyzes the project to determine necessary criteria has been met. This step requires the company to complete a project intake form and provide any additional required data to STEDC.
2. STEDC commissions an economic impact analysis to determine impacts of the project on the local economy. Potential gaps in fire protection services are computed and figured into preliminary benefit framework.
3. Project specs and results of the Impact Study are reviewed and considered by STEDC's Finance Committee.
4. Project specs and Impact Study are forwarded to STEDC's Board of Commissioners with STEDC finance committee recommendations. Request for PILOT is either approved or denied by a vote of the STEDC Board of Commissioners. Company may be asked to make a presentation to the board.
5. STEDC takes ownership of project assets from the company and leases it back to the company based on the predetermined terms, including the PILOT payments and annual administrative fees.
6. Company makes annual PILOT payments to the Sheriff who distributes the PILOT payment to the applicable taxing bodies.
7. Company pays administrative fees directly to STEDC.
8. Under the lease, company is responsible for all liabilities, upkeep, maintenance, insurance, etc. on the project.

For more information, please contact our Coordinator of Project Finance and Compliance at kbuckley@sttammanyedc.org