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6 Introduced March 31, 1987 by  
7 Councilman Washington, seconded  
8 by Councilman Callahan  
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12 **RESOLUTION R87-13**  
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15 A resolution approving the terms of an Intergovernmental  
16 Agreement between the Parish of St. Tammany, Louisiana,  
17 Sales Tax District No. 3 of the Parish of St. Tammany,  
18 the City of Slidell, Louisiana, and various other Cities,  
19 in connection with the re-construction and maintenance of  
20 roads in St. Tammany Parish, Louisiana, and authorizing  
21 and directing the Mayor of the City of Slidell to execute  
22 said Agreement.  
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24 **WHEREAS**, the sales tax dispute between the Parish of St.  
25 Tammany and its municipalities has generated nationwide adverse  
26 publicity for the Parish as a whole; and  
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29 **WHEREAS**, various community and business leaders have urged the  
30 Parish and the Cities to find a peaceful solution to settle the  
31 problem without prolonged litigation; and  
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35 **WHEREAS**, the Police Jury has offered a proposal which would  
36 allow the Parish to issue bonds backed by the Parish's sales tax  
37 without negatively impacting future annexation into Cities of the  
38 Parish; and  
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44 **WHEREAS**, this Council believes that a prompt resolution of  
45 this dispute will serve the best interest of all Citizens of the  
46 Parish;  
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50 **NOW, THEREFORE**, be it resolved by the City Council of the  
51 City of Slidell, State of Louisiana that:  
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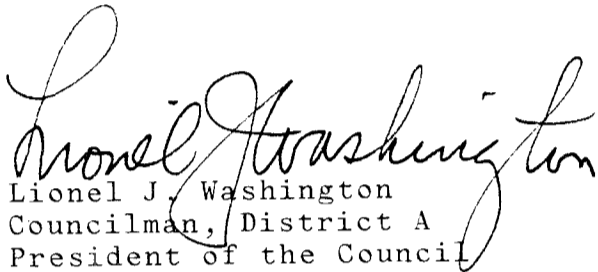
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54 **SECTION 1.** Pursuant to the provisions of Article 6, Sec. 20  
55 and Article 7, Sec. 14(c) of the Louisiana Constitution of 1974,  
56 and other constitutional and statutory authority supplemental  
57 thereto, the City Council of the City of Slidell, State of  
58 Louisiana, hereby approves the terms and conditions of an  
59 Intergovernmental Agreement to be entered into by and between the  
60 Parish of St. Tammany, Louisiana; Sales Tax District No. 3 of the  
61 Parish of St. Tammany; the City of Slidell, Louisiana; and various  
62 other Cities of the Parish, in connection with the reconstruction  
63 and maintenance of roads in St. Tammany Parish, Louisiana, said  
64 Agreement being substantially in the form attached hereto as  
65 Exhibit "A".  
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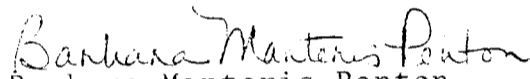
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11 SECTION 2. The Mayor of the City of Slidell, State of  
12 Louisiana, be and the same is hereby authorized and directed to  
13 execute said Agreement for, on behalf of, in the name of and  
14 under the seal of the City of Slidell, State of Louisiana.  
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18 SECTION 3. A copy of this resolution shall be immediately  
19 forwarded to the President of the Police Jury.  
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22 And the resolution was declared adopted on this, the 1st  
23 day of April , 1987.  
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Lionel J. Washington  
Councilman, District A  
President of the Council

  
Barbara Manteris Penton  
Clerk of the Council

INTER-GOVERNMENTAL AGREEMENT

This Agreement is made and entered, effective this \_\_\_\_\_ day of April, 1987, pursuant to the authority granted in Article 6, Section 20, and Article 7, Section 14 of the Louisiana Constitution, La. R.S. 33:1324 and other constitutional and statutory authority, by and among the following:

The Parish of St. Tammany and Sales Tax District No. 3 of the Parish of St. Tammany, political subdivisions created, organized and existing under the laws of the State of Louisiana, appearing herein by and through Barry Bagert, the President of the St. Tammany Parish Police Jury, duly authorized by resolution of the St. Tammany Parish Police Jury, the governing authority of the Parish and District dated \_\_\_\_\_;

and

The City of Slidell, a municipal corporation created, organized and existing under the laws of the State of Louisiana, appearing herein by and through Salvatore A. "Sam" Caruso, M.S.W., its Mayor, duly authorized by resolution of the Slidell City Council, the governing authority thereof, dated \_\_\_\_\_

and

The Town of Pearl River, a municipal corporation created, organized and existing under the laws of the State of Louisiana, appearing herein by and through Janice McQueen, its Mayor, duly authorized by resolution of the Pearl River Board of Aldermen, the governing authority thereof, dated \_\_\_\_\_;

The above are hereinafter collectively sometimes referred to as "Parties". In addition, the Parish of St. Tammany may hereinafter be sometimes referred to as "Parish", Sales Tax District No. 3 of the Parish of St. Tammany may hereinafter be sometimes referred to as "District" and the Cities of Slidell and Pearl River may hereinafter collectively be referred to as "Cities" or "City".

**WITNESSETH**

**WHEREAS**, the Parish Police Jury enacted Ordinance No. 746 establishing the District containing all of the territory within the boundaries of the Parish of St. Tammany, excluding that portion contained within the corporate boundaries of all municipalities located therein; and

WHEREAS, the Parish Police Jury subsequently enacted ordinances designating Priority I and Priority II roads, streets and bridges for capital improvement purposes in Sales Tax District No. 3 of the Parish; and

WHEREAS, on September 4, 1986, the Parish Police Jury adopted Resolution No. 86-2494 calling a special election to be held in Sales Tax District No. 3 to authorize the levy of a two (2) percent sales and use tax; and

WHEREAS, on November 4, 1986, said election was held and passed by the voters of the District; and

WHEREAS, on November 20, 1986, the Parish Police Jury adopted Ordinance No. 826 levying a two (2%) percent sales and use tax in Sales Tax District No. 3 of the Parish of St. Tammany; and

WHEREAS, the City of Slidell, the Town of Pearl River and other cities within St. Tammany Parish ordinarily repair and maintain roads and bridges within their corporate limits in the exercise of their constitutional and statutory functions, and intend in the future to annex properties into their cities pursuant to the applicable provisions of Louisiana law, and other cities within St. Tammany Parish may do the same; and

WHEREAS, the District, the City of Slidell and the Town of Pearl River believe that the imposition of sales taxes in newly annexed areas by both the District and the annexing municipality may discourage business growth within St. Tammany Parish and that the provision of road and bridge repair and maintenance services by both the District and cities within the Parish could lead to a duplication of effort, a waste of scarce resources, and other effects that would be detrimental to all the people of St. Tammany Parish; and

WHEREAS, the City of Slidell, along with David Squires, individually and as tax collector for the City of Slidell, and Otis Campbell, Northshore Limited Partnership, Herman P. Waschka, Ted and Mary Burhenn and Edward P. Denechaud brought suit against St. Tammany Parish, the Sales Tax District, and the St. Tammany

Parish Police Jury, styled "Campbell, et al v. St. Tammany Parish, et al," No. 87-10275 (La., 22nd J.D.C.), seeking a declaration that the Sales Tax District and tax are invalid and an order prohibiting collection of the tax, and the Town of Pearl River intervened on the side of the plaintiffs, along with Donna Crawford Korchner, Richard J. Korchner, Ruby Mae Pettit Crawford, and Arnold K. Crawford, and the suit was dismissed by the 22nd Judicial District Court by a judgment dated March 20, 1987, but the judgment has been appealed; and

WHEREAS, Otis Campbell, David Squires, Herman R. Waschka, Ted Burhenn, Mary Burhenn, Edward B. Denechaud, and Northshore Limited Partnership brought suit against the Sales Tax District, St. Tammany Parish, the St. Tammany Parish Police Jury, and the members of the Police Jury, styled "Campbell, et al v. Sales Tax District No. 3 of St. Tammany Parish, et al," No. 87-0256 (E.D.LA.), seeking injunctive relief to prevent the issuance of bonds by the Sales Tax District and a declaration that the Sales Tax District and tax are invalid; and

WHEREAS, Cities acknowledge that improvements to Parish roads benefit both City and non-City residents as well as the general economic climate of the Parish as a whole; and

WHEREAS, the Parties hereto desire to settle the lawsuits and appeal concerning these matters to the end that the District may expeditiously begin the improvement of roads and bridges throughout the Parish; and

WHEREAS, the parties believe that intergovernmental cooperation is essential to insure the orderly development of business in the Parish and orderly land use planning; and

WHEREAS, Article 6, Section 20 and Article 7, Section 14 of the Louisiana Constitution and La. R.S. 33:1324 authorize parishes, municipalities and political subdivisions of the State to enter intergovernmental agreements for the joint provision of services or joint use of funds to provide services, including road, bridge, highway and transportation services;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the Parties agree and bind themselves as follows:

**ARTICLE 1. COLLECTION OF THE DISTRICT TAX**

The Sales Tax District will collect the two (2%) percent sales tax approved by the voters throughout the area comprising the Sales Tax District on November 4, 1986, the date of the sales tax election.

The parties mutually agree that the District sales tax is effective for the entire area of St. Tammany Parish, excluding the incorporated municipal boundaries as of November 4, 1986, the date of the sales tax election. Areas that were annexed by municipalities by valid ordinances effective prior to November 4, 1986 are not within the area subject to the District sales tax.

In addition to sales taxes collected by the State of Louisiana and the St. Tammany Parish School Board, Cities agree that all properties annexed into a municipality by ordinances adopted and published after November 4, 1986 shall only be subject to the following sales taxes:

A. Developed Properties

The District shall collect its 2% sales tax from these parcels. The entire net proceeds of these taxes shall be retained by the District.

B. Undeveloped Properties

The District shall collect its 2% sales tax from these parcels. Seventy (70%) percent of the net proceeds of these taxes shall be retained by the District and the remaining thirty (30%) percent of the net proceeds shall be paid to the City within fifteen (15) days of receipt by the District. The net sales tax revenues shall be those received by the District after accounting for all expenses of collection.

By the term "developed" property is meant that parcel of land annexed by the municipality which contains a business making retail

sales and/or was producing sales tax revenue at the time of annexation or within three (3) years prior to annexation. If the parcel annexed is adjacent to or contiguous with an area of developed land (as defined above) of common ownership with that "undeveloped" parcel to be annexed, then that undeveloped parcel shall be considered "undeveloped" under this agreement. All other property not falling within the definition of "developed" shall be considered "undeveloped" as defined herein. Residential properties shall be considered undeveloped properties.

#### **ARTICLE 2. RESPONSIBILITY FOR ROAD MAINTENANCE AND IMPROVEMENTS**

District will be responsible for making initial improvements to roads listed in Ordinance Calendar No. 767, Ordinance Police Jury Series No. 86-693, dated August 21, 1986, as amended, to the extent funding is available, whether or not these roads are annexed into a municipality. The annexing municipality shall be responsible for the maintenance and/or subsequent paving of all roads and bridges within properties annexed by the municipality for which funds are disbursed by the District to the municipality.

#### **ARTICLE 3. COSTS OF PROVIDING IMPROVEMENTS**

Cities and District may agree to share the initial costs of providing road improvements within the District to developing properties. A City may advance funds for initial road improvements after which the District may repay the cost from sales taxes collected from the property for which the expenses have been incurred.

With respect to any such costs of road improvements, the City shall furnish in writing to the Parish and District a projected breakdown of such costs and a proposed agreement. The Parish and District, within thirty (30) days of receipt, shall approve or disapprove such cost breakdown and agreement. If the cost breakdown and agreement are not acceptable to the Parish or District, then the Parish and District shall notify the City in writing of items that have been approved and disapproved and the two parties shall attempt to resolve the differences. Approved expenses will be paid to the City.

The City may fully obligate itself to incur any expenses submitted on the initial cost breakdown with the understanding that any costs not ultimately approved by the District will remain the City's sole responsibility.

#### ARTICLE 4. PENDING LITIGATION

Within five (5) working days of adoption of ordinances accepting this solution by both the City and the Parish Police Jury acting as governing authority for both the Parish and District, Cities will insure that all the plaintiffs and intervenors in the lawsuits in state and federal court, specifically the appeal of the suit filed in 22nd Judicial District Court for the Parish of St. Tammany, State of Louisiana, entitled "Otis Campbell, et al vs. St. Tammany Parish, et al", No. 87-10275, Division "F", and the suit filed in the United States District Court for the Eastern District of Louisiana, entitled "Otis Campbell, et al vs. Sales Tax District #3 of St. Tammany Parish, et al", Civil Action No. 870256, Section "A", Magistrate 1, dismiss the suits and appeal thereof with prejudice. Cities further agree to refrain from attacking the validity of the organization of Sales Tax District #3, the levy of a sales tax therein, and the bonding of that sales tax in the future. If all plaintiffs and intervenors do not dismiss the appeal and both suits, within ten (10) days, this Agreement shall be null and void.

#### ARTICLE 5. ZONING OF ANNEXED PROPERTIES

A. If a city, after adoption of this Agreement, annexes property into the municipality and enacts a zoning classification for that property that permits more intense commercial, industrial or land uses than the zoning classification adopted for the property by the Parish, prior to the annexation, the Sales Tax District shall not be obligated to disburse any sales tax revenue generated by that property to the municipality. However, upon application by the annexing municipality, the Parish Zoning Board may agree to the change in zoning and, if it does agree, the obligation to disburse funds shall not be affected.



Any request for a zoning change that permits more intense commercial, industrial or land uses than the zoning classification adopted for the property by the Parish, shall be forwarded to the Parish Zoning Board by certified mail, return receipt requested. If the Parish Zoning Board does not deny the request within 45 days of receipt of the request, it shall be deemed approved by the Parish.

Once a conceptual development plan of PD or PUD zoning classification is established for a property, further zoning action consistent with that plan and classification shall not require Parish approval.

- B. If an unfavorable recommendation is given by the Zoning Board, then the Police Jury shall review and may overrule the decision of the Zoning Board in accordance with the general zoning laws of the State of Louisiana.
- C. The provisions of this Article shall not apply to properties ninety (90%) percent surrounded by a City.
- D. Article 10 shall not apply to this Article.

#### ARTICLE 6. BONDHOLDERS' RIGHTS

If the sales tax revenues derived by the District are at any time insufficient to pay the principal and interest due on bonds issued by the District, the disbursement of funds to the Cities shall cease. The District shall reinstitute the disbursement of funds, in the manner provided in Article 1, if and when the sales tax revenues become sufficient to pay the principal and interest due on the bonds. The sales tax revenue shall be deemed insufficient to pay the principal and interest if, in any calendar year, the revenues derived from the sales tax are insufficient to pay the principal and interest due in that calendar year. The proceeds shall not again be deemed sufficient until a six month period has passed in which the revenues derived from the sales tax in the six month period are sufficient to pay one-half the total principal and interest due on the bonds in that calendar year. If a surplus above the amount necessary to pay the total principal and interest due on the bonds exists at the end of the six (6) month period, the District shall remit to the Cities a pro rata

share of the amounts to which they would have been entitled under this Agreement limited to a maximum of thirty (30%) percent of the surplus.

#### ARTICLE 7. PLEDGE OF COOPERATION

The parties hereto pledge their mutual cooperation in complying with the terms of the Agreement, all to the end that the welfare of the residents of St. Tammany Parish shall be promoted and that the needs of the residents may be satisfactorily met.

#### ARTICLE 8. TERMINATION AND MISCELLANEOUS

This Agreement shall be binding upon the parties hereto for a period of twenty (20) years from December 1, 1986. This Agreement may be amended from time to time by the participating Cities and the Parish and District with the approval of their respective governing authorities. Article headnotes used above are for purposes of convenience only and shall have no legal bearing upon the construction of this Agreement. This Agreement shall be binding upon and shall inure to the benefit of parties hereto, its/their successors and assigns. It is the intent of the Parties that this agreement shall be liberally construed to accomplish its purposes.

#### ARTICLE 9. NEW PARTIES

The Parish Police Jury shall not deny any municipality the right to become a part of this Agreement provided that the requesting municipality agrees to comply with all its terms and conditions as presently contained herein or hereafter amended. No agreement shall be offered to any municipality without also offering it to all municipalities.

#### ARTICLE 10. ARBITRATION

Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the decision rendered by the arbitrators may be entered in any Court having jurisdiction thereof. The Parish Police Jury and aggrieved City shall each choose one arbitrator who shall then choose a third arbitrator. No arbitrator shall be an employee of any party.

ARTICLE 11. CLOSING

In the event any one or more provisions of this Agreement is for any reason held to be illegal or invalid, this entire Agreement, except for this Article, shall immediately become null and void. All parties agree to attempt in good faith to adopt a new agreement, which to the extent possible, accomplishes the same results as this Agreement. Further, all Parties agree to negotiate in good faith, refrain from challenging the validity or legality of this Agreement and join in the defense of any legal challenge to this Agreement.

Any constitutional or statutory provisions enacted after the date of this Agreement which validates or makes legal any provision hereof shall be deemed to apply hereto.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed in multiple originals by their hereunder signed officers each in the presence of the undersigned two competent witnesses in the Parish of St. Tammany, State of Louisiana, as of the date first hereinabove set out, after due reading of the whole, in various counterparts.

WITNESSES:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
BARRY BAGERT  
President St. Tammany Parish  
Police Jury  
Governing Authority of Sales  
Tax District No. 3 of the  
Parish of St. Tammany and  
St. Tammany Parish

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SALVATORE A. "SAM" CARUSO, MSW  
Mayor, City of Slidell

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JANICE McQUEEN  
Mayor, Town of Pearl River