

ST. TAMMANY PARISH COUNCIL

ORDINANCE

ORDINANCE CALENDAR NO. 3408 ORDINANCE COUNCIL SERIES NO. \_\_\_\_\_

COUNCIL SPONSOR MR. STEFANCIK, MS. BRISTER, MR. BINDER, MR. BAGERT/MR. DAVIS

PROVIDED BY COUNCIL OFFICE

INTRODUCED BY \_\_\_\_\_ SECONDED BY \_\_\_\_\_

ON THE \_\_\_\_\_ DAY OF \_\_\_\_\_ 2006

ORDINANCE APPROVING AND AUTHORIZING THE EXECUTION OF A SALES TAX ENHANCEMENT PLAN BY AND BETWEEN ST. TAMMANY PARISH GOVERNMENT, ST. TAMMANY PARISH SALES TAX DISTRICT NO. 3 AND THE CITY OF SLIDELL FOR THE SHARING OF SALES TAX REVENUE GENERATED ON ANNEXED PROPERTY

WHEREAS, St. Tammany Parish collects a two cent sales tax for road and drainage infrastructure improvements, maintenance and facilities within the boundaries of Sales Tax District No. 3; and

WHEREAS, the City of Slidell collects a two cent sales tax within the municipal boundaries of the City; and

WHEREAS, the City of Slidell periodically annexes property, at the request of the property owner, into the city limits in order to provide city services to the property; and

WHEREAS, the Parish and the City believe that the imposition of sales taxes in annexed areas by both the Parish Sales Tax District and the City of Slidell may discourage business growth, adversely affect land use planning and subject parish citizens to increased taxation on the purchase of goods and services; and

WHEREAS, Parish Government believes a sales tax sharing plan is essential to insure the continued development of business in St. Tammany Parish and the orderly and appropriate planning and development of land in both the Parish and the City of Slidell.

THE PARISH OF ST. TAMMANY HEREBY ORDAINS that it approves and adopts the hereto attached Sales Tax Enhancement Plan by and between St. Tammany Parish Government, St. Tammany Parish Sales Tax District No. 3 and the City of Slidell.

BE IT FURTHER ORDAINED that the President of St. Tammany Parish, Kevin C. Davis, is hereby authorized to execute the Sales Tax Enhancement Plan with the City of Slidell on behalf of St. Tammany Parish Government and St. Tammany Parish Sales Tax District No. 3.

REPEAL: All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

SEVERABILITY: If any provision of this Ordinance shall be held to be invalid, such invalidity shall not effect other provisions herein which can be given effect without the invalid provision and to this end the provisions of this Ordinance are hereby declared to be severable.

EFFECTIVE DATE: This Ordinance shall become effective immediately upon final adoption.

MOVED FOR ADOPTION BY: \_\_\_\_\_, SECONDED BY: \_\_\_\_\_

**SALES TAX ENHANCEMENT PLAN  
BY AND BETWEEN THE PARISH, SALES  
TAX DISTRICT NO. 3 AND THE CITY OF SLIDELL**

This agreement is made and entered, effective this \_\_\_\_ day of \_\_\_\_\_ 2006, pursuant to the authority granted in Article 6, Section 20, and Article 7, Section 14 of the Louisiana Constitution, La. R.S. 33:1324, La.R.S. 33:2721.6(G), La.R.S. 33:2711(C)) 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 (hereinafter referred to as "Parish" and "District" respectively), political subdivisions of the State of Louisiana, whose address is 21490 Koop Drive, Mandeville, Louisiana 70471, herein represented by Kevin Davis, President of St. Tammany Parish, duly authorized by Ordinance dated the \_\_\_\_ day of \_\_\_\_\_ 2006, attached hereto and made a part hereof,

and

CITY OF SLIDELL (hereinafter referred to as "City"), a political subdivision of the State of Louisiana, whose address is 2055 Second Street, Slidell, Louisiana 70458, herein represented by Benjamin O. Morris, Mayor of Slidell, duly authorized by Ordinance dated the \_\_\_\_ day of \_\_\_\_\_ 2006, attached hereto and made a part hereof.

The above are herein after collectively sometimes referred to as "Parties". In addition, the Parish of St. Tammany may herein after be sometimes referred to as "Parish" and Sales Tax District No. 3 of the Parish of St. Tammany may herein after sometimes be referred to as "District".

**WITNESSETH**

**WHEREAS**, the Parish Police Jury enacted Ordinance P.J.S. No.86-664, on July 17, 1986, 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 P.J.S. 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 P.J.S. No. 826-730 levying a two (2%) percent sales and use tax in Sales Tax District No. 3 of the Parish of St. Tammany; and

**WHEREAS**, on September 28, 2005, the Parish Council adopted Ordinance C.S. No. 05-1183 extending the two (2%) percent sales and use tax in Sales Tax District No. 3 of the Parish of St. Tammany for an additional twenty-five (25) years, expiring on November 30, 2031; and

**WHEREAS**, Cities within St. Tammany Parish ordinarily repair and maintain roads, streets, bridges and drainage infrastructure 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, Parish and the City believe that the imposition of sales taxes in annexed areas by both the District and the annexing municipality may discourage business growth within St. Tammany Parish and that the provision of road, street, bridge and drainage repair and maintenance services by both the District/Parish and the City 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 acknowledges 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 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, La. R.S. 33:1324 and La. R.S. 33:2721.6(G) and La. R.S. 33:2711(C) authorize parishes, municipalities and political subdivisions of the State to enter into intergovernmental agreements for the joint provision of services or joint use of funds to provide services, including road, bridge, drainage, and 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 SALE TAXES

The Sales Tax District will collect its 2% sales tax approved by the voters throughout the area comprising the Sales Tax District No. 3 as it existed on November 4, 1986. The Sales Tax District and the City will use the proceeds from the District's sales tax in accordance with the approved tax proposition(s), for the purposes of constructing, acquiring, extending, improving, maintaining and/or operating (i) roads, streets and bridges and (ii) drains and drainage facilities, including acquiring all necessary land, equipment and furnishings for any of said public works, improvements and facilities.

The parties mutually agree that the District sales tax presently is effective for the entire area of St. Tammany Parish, excluding the incorporated municipal boundaries as of November 4, 1986, the date of the original 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 and thus not subject to this Agreement, except as herein after provided in Section C.

Except as herein provided, in addition to sales taxes collected by the State of Louisiana and the St. Tammany Parish School Board, the Parties agree that, after signing of this agreement, a maximum of 2% sales tax for District and municipal purposes is effective for all properties located in the District and annexed into a municipality by ordinances adopted and published after November 4, 1986, collectable as follows:

### A. Developed Commercial Properties

(1) **Previously Annexed Property:** In all cases where developed commercial properties were annexed prior to the effective date of this Sales Tax Enhancement Plan, fifty (50%) percent of the net proceeds shall be retained by the District and fifty (50%) percent of the net proceeds shall be paid to the City at the time and in the manner hereinafter specified. The net sales tax revenues shall be those received by the District after accounting for all expenses of collection and as set forth in Article 3.

(2) **Subsequently Annexed Property:** In all cases where developed commercial properties are proposed to be annexed following the effective date of this agreement, unless the Parish Council concurs in the annexation, within the allowable delays, the entire net proceeds shall be retained by the District in the event of annexation without Parish Council concurrence.

In all cases where developed commercial properties are proposed to be annexed following the effective date of this agreement, the Parish Council shall not arbitrarily refuse to concur in the annexation. For purposes of this agreement, arbitrary refusal to concur means the absence of a compelling interest, either in terms of the loss of significant tax revenues or the potential for adverse impacts to life, property or the general welfare of the residents of St. Tammany Parish. In those cases where the Parish concurs in the annexation, the District shall retain fifty (50%) percent of the net proceeds and fifty (50%) percent shall be paid to the City.

#### **B. Undeveloped Commercial Properties**

For purposes of this agreement, the term "undeveloped" means vacant land (i.e., a residential or commercial structure does not exist), land upon which there is an existing residential or commercial structure that has been abandoned, or land upon which a commercial structure exists but which has not been used to conduct any business for a period of two (2) years prior to annexation.

1) **Previously Annexed Property**: In all cases where undeveloped commercial properties were annexed prior to the effective date of this Sales Tax Enhancement Plan, an amount equal to fifty (50%) percent of the net proceeds of these taxes shall be paid to the City at the time and in the manner hereinafter specified. The net sales tax revenues shall be those received by the District after accounting for all expenses of collection and as set forth in Article 3.

2) **Subsequently Annexed Property**: In all cases where undeveloped properties are annexed in accordance with state law, following the effective date of this agreement, dealers in retail sales shall collect only the District's 2% sales tax and remit the entire amount to the District. An amount equal to fifty (50%) percent of the net proceeds of these taxes shall be paid to the City in the manner hereinafter specified. The net sales tax revenues shall be those received by the District after accounting for all expenses of collection and as set forth in Article 3.

a) In cases of undeveloped property being annexed subsequent to this agreement, the Parties agree that either the Parish's drainage and traffic impact regulations shall apply to the development of the property or the City's drainage and traffic impact regulations shall apply, whichever is the most restrictive. If, in the opinion of the

Parish and City Engineers, a different application of regulations should apply to the property, modifications to the applicable regulations may be made upon the written concurrence of the Engineering Departments. In this regard, the Parties agree to cooperate in the review and approval of any drainage plans and traffic impact analysis, in order to insure the least amount of adverse drainage impacts and traffic on surrounding areas and on existing and future drainage and traffic infrastructure.

**C. Manufacturers Retail Outlet development and Northshore Limited Partnership**

**development on Airport Road:**

Sales by dealers in retail sales on these properties shall be governed by the provisions of Article 1(B). The City of Slidell agrees to pay to the District an amount equal to fifty (50%) percent of the net proceeds of the City's sales taxes collected from those portions of these two developments annexed into the city prior to November 4, 1986. Payments by the City to the District shall be made within fifteen (15) days of the end of each calendar month. The properties subject to this subparagraph are more fully delineated on Exhibits A and B attached hereto and made a part hereof.

**D. Sales Taxable at Point of Delivery**

Sales by retail dealers and collectors of sales taxes levied at point of delivery rather than point of sale shall be governed by existing collection and distribution regulations and procedures.

**E. Additional Sales Taxes Levied**

This agreement is meant to apply only to existing sales taxes. Additional sales taxes which may be levied in the future by any party to this agreement shall be entirely payable to the levying entity.

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

The City shall be responsible for the maintenance and improvement of all roads, bridges, streets and drainage infrastructure brought within the corporate limits of the City through annexation, except as provided for in the Joint Project Section hereof. When the City annexes property on both sides of a road, street, drainage feature or other infrastructure feature, said infrastructure must also be annexed.

**ARTICLE 3. BONDHOLDERS' RIGHTS**

The Sales Tax District has issued bonds payable from the District's 2% sales tax pursuant to ordinances adopted by the St. Tammany Parish Police Jury on November 19, 1987, as amended and

supplemented by an ordinance adopted on the 19th day of May 1988, and by the Parish Council on May 4, 2006 (collectively the "Bond Ordinances"). The Bond Ordinances specify the manner in which proceeds of the District's 2% Sales Tax must be administered and handled. All payments from the District to the City required to be made hereunder shall (i) be made on a monthly basis and (ii) be paid solely from monies considered surplus as defined in Section 5.03 and Section 10 of the Bond Ordinances.

If the sales tax revenues derived by a City are at any time insufficient to make mandatory payments required by ordinances authorizing sales tax revenue bonds of the City, the City may collect its two per cent (2%) sales tax (in addition to the District's 2% sales tax) until the deficit is satisfied. The City shall cease the collection if and when the sales tax revenues become sufficient to pay the mandatory payments due on the bonds.

#### **ARTICLE 4. ZONING OF ANNEXED PROPERTIES**

A. If the City, after the adoption of this agreement, annexes developed (non-commercial) or undeveloped property into the municipality and proposes actions, within two (2) years of the annexation, to enact a zoning classification for that property that permits more intense commercial, industrial or other land uses than the zoning classification adopted for the property by the Parish prior to the annexation, the following shall apply:

1. Upon application by the City, the Parish Council may concur with the proposed change in zoning and, if it does concur, the District shall retain fifty (50%) percent of the net proceeds and fifty (50%) percent shall be paid to the City at the time and in the manner previously specified.
2. In the event that the Parish Council does not concur with the proposed change in zoning, the District shall retain all net proceeds for a period of two (2) years following annexation of the property by the City. Following the two (2) year period, the District shall retain fifty (50%) percent of the net proceeds and fifty (50%) percent of the net proceeds shall be paid to the City in the manner previously specified.

Any request for a zoning change that permits a more intense land use shall be forwarded to the Parish Council Office and Parish Director of Planning by certified mail, return receipt requested. If the Parish Council does not deny the request within 75 days of receipt of the request, it shall be deemed approved by the Parish.

The provisions of this Article shall not apply to properties ninety (90%) percent surrounded by the City, exclusive of roads.

**B.** The Parties commit to formulate and adopt a Growth Management Area and Land Use Plan between the City of Slidell and the Parish within one (1) year following the execution of this Sales Tax Enhancement Plan.

The Growth Management Area will be an area currently under the jurisdiction of parish government, which surrounds the City and is an area expected to experience growth over the next 25 years. The Growth Management Area will include within it an area that is expected to be annexed by the City over the next five (5) years, to be reviewed by the Parties every five (5) years thereafter, or sooner upon the mutual agreement of the Parties. The Land Use Plan will include agreed upon land uses intended to minimize conflicts of land use and zoning between incorporated and unincorporated properties. It will also include an orderly schedule of annexations that will obviate the necessity for consideration of concurrence by the Parish with proposed annexations by the City in those areas. Notification of intent to annex requirements will still apply as previously stated, for recordation and administrative purposes only.

Following execution of the Growth Management Area and Land Use Plan by the Parties, properties annexed by the City within the plan area shall be deemed to have been annexed with the concurrence of the Parish. Those properties annexed prior to adoption of the plan, but subsequently encompassed within the plan area, shall be deemed an annexation with Parish concurrence upon adoption of the plan.

In the event that the Parties fail to enter into an agreed upon plan within the stipulated one (1) year period, this provision shall become null and void.

#### **ARTICLE 5. PLEDGE OF COOPERATION - JOINT PROJECTS**

Pursuant to the development of effective infrastructure and growth management initiatives within Tax District No. 3, the Parish and City may enter into joint projects to provide improvements to the area. These include but are not limited to drainage projects, roadway construction, and other similar projects.

These projects will be jointly funded, and proceeds received from the 2¢ sales tax may be



used to purchase, design, construct and maintain these facilities. Such funds may be used as match for federal funds to develop these improvements.

Such projects may also include SELA and roads listed on the State Transportation Improvement Program. However, the UNO Boulevard "spine" road shall be fully funded by the Parish. The Parish shall also endeavor to get the I-10 Service Road West to completion without requiring City participation.

## **ARTICLE 6. TERMINATION AND MISCELLANEOUS**

This Agreement shall be binding upon the Parties hereto for a period of twenty-five (25) years from December 1, 2006. This Agreement may be amended from time to time by the Parties 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 the 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 7. 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. Legal expenses incurred in the defense of any challenge to this agreement shall be split by all Parties proportionately by population unless otherwise agreed to in writing by the Parties.

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 execute 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.

**THUS DONE AND SIGNED** in the presence of the undersigned competent witnesses on the day, month and year first above written.

**WITNESSES:**

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**THE CITY OF SLIDELL:**

\_\_\_\_\_  
BENJAMIN O. MORRIS, MAYOR OF SLIDELL

**PARISH OF ST. TAMMANY:**

\_\_\_\_\_  
KEVIN DAVIS, PARISH PRESIDENT