

ORDINANCE No. _____ OF 2023

ORDINANCE OF THE RUSTON BOARD OF ALDERMEN CREATING AN ECONOMIC DEVELOPMENT DISTRICT WITHIN THE CITY OF RUSTON TO BE NAMED THE “ECONOMIC DEVELOPMENT DISTRICT NO. 2 OF THE CITY OF RUSTON, LOUISIANA” (THE “DISTRICT”); DEFINING THE BOUNDARIES THEREOF FROM WHICH CERTAIN AREA LOCAL AND POTENTIALLY STATE SALES AND USE TAX INCREMENTS WILL BE DETERMINED AND USED TO FINANCE ECONOMIC DEVELOPMENT PROJECTS WITHIN THE DISTRICT, ALL AS AUTHORIZED BY PART II OF CHAPTER 27 OF TITLE 33 OF THE LOUISIANA REVISED STATUTES OF 1950, AS AMENDED (THE “ACT”); AND PROVIDING FOR OTHER MATTERS IN CONNECTION WITH THE FOREGOING

BE IT ORDAINED by the Board of Aldermen of the City of Ruston, Louisiana (the “Board of Aldermen”), that:

WHEREAS, the City of Ruston desires to promote economic development within its jurisdiction; and

WHEREAS, Part II, Chapter 27, Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9038.31, *et seq.*) (the “*Act*”) authorizes municipalities, parishes and certain other local governmental subdivisions to create economic development districts to carry out the purposes of the Act, which economic development districts are political subdivisions of the State of Louisiana (“*State*”) and possess such power and authority and have such duties as provided by the Act and other law; and

WHEREAS, the Board of Aldermen, as governing authority of the City of Ruston (the “*City*”), desires to avail itself of the Act to create an economic development district to be named the “**Economic Development District No. 2 of the City of Ruston, Louisiana**” (the “*District*”), in accordance with La. R.S. 33:9038.32; from which area local and State sales and use taxes (if the use of State sales and use tax is approved by the State) are expected to be determined and used to finance economic development projects within the District; and

WHEREAS, La. R.S. 33:9038.34(O) provides that the Board of Aldermen may create a special trust fund for the furtherance of economic development projects, as defined in the Act, into which the incremental increases in such area local and State sales and use taxes (if the use of the State sales and use tax is approved by the State) shall be deposited and loaned, granted, or pledged in furtherance of economic development projects as defined in the Act; and

WHEREAS, the City may use its sales and use tax increment on a cash basis, reimbursement basis, or with revenue bonds to provide funds needed to finance economic development projects within the District; and

WHEREAS, the City currently levies and collects a two and one-half percent (2.50%) sales and use tax within the District (the “*Existing Tax*”); and

WHEREAS, it is the desire of the Board of Aldermen to pledge and dedicate the revenues collected in excess of the Annual Local Base (defined below) generated by the City’s Existing Tax levied and collected by the City within the boundaries of the District (the “*S&U Increment*”) to finance said economic development project costs; and

WHEREAS, it is the desire of the Board of Aldermen to require the baseline sales and use tax collection rate of the Existing Tax in the District to be certified forthwith by the City’s Finance Director as required under Section 33:9038.34 of the Act; and

WHEREAS, in accordance with the Act, the City may enter into agreements as deemed necessary or convenient to implement economic development projects as determined by the District, or otherwise authorized by law; and

WHEREAS, in accordance with the Act, particularly La. R.S. 33:9038.32(B), the Board of Aldermen has given notice of its intention and notice that it will hold a public hearing relative to the proposed creation of the District, including a map showing the boundaries of the District, which notice has been published twice in the City's official journal; and

WHEREAS, on this date the Board of Aldermen did hold a public hearing pursuant to the aforesaid notice of intention, at which public hearing _____ objections were received with respect to the creation of the District.

NOW THEREFORE, BE IT FURTHER ORDAINED by the Board of Aldermen of the City of Ruston, Louisiana, that:

SECTION 1. Preamble. The foregoing whereas clauses are hereby adopted as set forth in the preamble to this Ordinance.

SECTION 2. Creation of District. Under the authority of La. R.S. 33:9038.32 there is hereby created an economic development district within the boundaries of the City named the "**Economic Development District No. 2 of the City of Ruston, Louisiana,**" having the specific geographical boundaries set forth in **Exhibit A** attached hereto, which **Exhibit A** is hereby incorporated herein and made a part of this ordinance. As provided by the Act, the governing authority of the District shall be the Board of Aldermen (the "**District Governing Authority**"). The "**Annual Local Base**" shall be the aggregate amount of the Existing Taxes collected by the City within the District during the most recently completed Fiscal Year prior to the establishment of the District. The District shall possess such powers and authority and have such duties as provided in the Act and other law.

SECTION 3. Creation of Trust Fund There is hereby created a special trust fund entitled the "**Economic Development District No. 2 of the City of Ruston, Louisiana Trust Fund**" (the "**Trust Fund**") under the authority of the District the purpose of which will be to fund economic development projects within the District. The Trust Fund shall be maintained as a separate fund, apart from other funds and accounts of the City or other entities, and shall be used henceforth for the purposes set forth herein and in the Act.

SECTION 4. Authorization to Enter Into Cooperative Endeavor Agreement. Pursuant to the Act, the Mayor of the City is hereby authorized and directed to enter into a Cooperative Endeavor Agreement, in substantially the form attached hereto as Exhibit B with such changes as recommended by counsel for the City and/or District ("**Cooperative Endeavor Agreement**"), on behalf of the District, with (the "**Company**") whereby the District agrees to utilize the incremental increase in local sales and use taxes (together with a like amount of incremental increase in the State of Louisiana sales and use taxes, if any, approved by the State of Louisiana) to reimburse for the cost of the construction of the "**Project,**" as such term is defined in the aforesaid attached Cooperative Endeavor Agreement.

SECTION 5. Dedication of Revenues. The Board of Aldermen hereby pledges and dedicates the S&U Increment collected within the boundaries of the District to finance economic development project costs in the District, as such term is defined in Section 33:9038.36 of the Act. Such dedication and pledge also constitutes a designation of the local sales and use taxes which are to be used in determining the sales and use tax increment and the initial annual baseline collection rate for the sales tax area, all as defined in Section 33:9038.34(C) of the Act.

SECTION 6. Authorization of Officers. The Mayor, or staff, and the Clerk are hereby authorized, empowered and directed to do any and all things necessary and incidental to carry out the provisions of this Ordinance.

SECTION 7. Severability. If any provision of this Ordinance shall be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Ordinance, but this Ordinance shall be construed and enforced as if such illegal or invalid provisions had not been contained herein. Any constitutional or statutory provision

enacted after the date of this Ordinance which validates or makes legal any provision of this Ordinance which would not otherwise be valid or legal, shall be deemed to apply to this Ordinance.

SECTION 8. Repealer. All Ordinances or Resolutions, or parts thereof, in conflict herewith are hereby repealed.

SECTION 9. Publication; Effective Date. This Ordinance shall be published two times in the official journal of the City, and shall become effective upon signature of the Mayor, the elapse of ten (10) days after receipt by the Mayor without signature or veto, or upon an override of a veto, whichever occurs first.

[Remainder of this page intentionally left blank]

This Ordinance was introduced on _____, by Alderman _____, Notice of Public Hearing was published on _____, _____, and _____ and said public hearing having been held, the title having been read and the Ordinance considered, on motion to adopt, as amended, by Alderman _____, seconded by Alderman _____, a record vote was taken and the following result was had:

YEA:

NAY:

ABSENT:

WHEREUPON, the presiding officer declared the above Ordinance duly adopted on the _____ day of _____, 2023.

ATTEST:

JULIE K. SPEIR, CLERK

RONNY WALKER, MAYOR

EXHIBIT A

**DISTRICT MAP
(TO BE INSERTED)**

* * * * *

EXHIBIT B

COOPERATIVE ENDEAVOR AGREEMENT

(TO BE INSERTED)

STATE OF LOUISIANA
PARISH OF LINCOLN

I, the undersigned Clerk of the City of Ruston (the “*City*”) do hereby certify that the foregoing _____ (___) pages constitute a true and correct copy of the proceedings taken by the Board of Aldermen, as governing authority of the City (the “*Board of Aldermen*”) on March 6, 2023, creating an Economic Development District within the City of Ruston to be named the “Economic Development District No. 2 of the City of Ruston, Louisiana” (the “*District*”); defining the boundaries thereof from which certain area local and potentially state sales and use tax and hotel occupancy tax increments will be determined and used to finance economic development projects within the District, all as authorized by Part II, Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (the “*Act*”); and providing for other matters in connection with the foregoing.

IN FAITH WHEREOF, witness my official signature and the impress of the official seal of said City on this ____ day of _____, 2023.

(SEAL)

Julie K. Speir