

December 8, 2005
OPINION NUMBER 05-0001

Hon. L. J. "Joey" Durel, Jr.
City-Parish President
Lafayette Consolidated Government
705 W. University Avenue
P.O. Box 4017-C
Lafayette, Louisiana 70502

13-A CORPORATIONS

Political subdivisions, or their respective commissions, can establish non-profit corporations to perform services on behalf of the political subdivision or commissions, as long as the political subdivision or commissions have express or implied authority to do so.

Dear President Durel,

You requested an Attorney General's opinion regarding the operation of the Cajundome. You question whether there is any legal impediment to the Cajundome, as a political subdivision, forming a non-profit public corporation for purposes of concessions and catering sales and purchases. You indicate that insurance for such a corporation would be significantly less than would insurance for the Cajundome conducting the same activities.

First, it should be noted that the Cajundome is not a political subdivision. The Cajundome is a multi-purpose academic, civic and community assembly center, and is owned by the University of Louisiana Lafayette (formerly the University of Southwestern Louisiana or USL). The Cajundome is operated by the Cajundome Commission ("Commission"), which was created pursuant to an Intergovernmental Agreement ("Agreement") between the University of Southwestern Louisiana and the City of Lafayette, Louisiana dated September 22, 1987. Under the terms of the Agreement, the Commission has the full authority to operate the Cajundome. Section 1(B) of the Agreement provides:

B. The Commission shall be a "body corporate under the corporate name and style designated as "The Cajundome Commission" and shall have full authority to operate consistent with the objectives set forth in the second "Whereas" paragraph above¹ and/or (with permission of the owner) add to

¹ WHEREAS, the parties do hereby declare that the purpose of this agreement is to fulfill the following objectives:

A. Fulfillment of the amended Ownership Agreement between the City and USL.

B. Use of all other available dates during fiscal year to primarily pursue arena/concert-type events.

and/or construct additions to the facility known and to be known as the Cajundome and/or related facilities, and thereafter to fully control the operation of such facilities (consistent with the objectives above and those set out for such addition of new facility), all as determined by the Commission and shall have power to sue and be sued and shall continue in existence until all bonds, including refunding bonds issued heretofore for the construction and/or operation of the Cajundome and/or issued by such Commission or by the parties pursuant to such agreement have been finally paid and discharged or for twenty—five (25) years, whichever occurs last. The Commission shall have such powers relative to the construction, acquisition, improvement, operation, management, maintenance and improvement of the Cajundome facility or adjuncts to the Cajundome facility and shall have the power in its corporate name to issue bonds to finance the cost of construction, maintenance or acquisition of the Cajundome or adjuncts to the Cajundome if such authority is allowed by law; if such bonds are to be issued in the name of the parties reaching this agreement or if such parties are obligated on such bonds, then, in that

C. To provide entertainment, cultural, economic and educational benefits to the community of Lafayette and the Acadiana region while generating revenues to operate at a break-even point.

D. Using combined Cajundome and USL athletic facility resource, pursuit of national, regional and statewide sports-related events (high school and collegiate play-offs/amateur and professional tournaments/etc.) that would bring people and dollars into the Lafayette community and promote the Cajundome/USL athletic complex as a desirable place to hold these type events.

E. To the extent that a later agreement can be reached with USL as "owner" of the facility on other revenue-generating events (such as dirt-type events which might impact the structural integrity of the building) pursuit of same.

F. Pursuit of four or five regional-type conventions each year that are deemed to be desirable and of beneficial impact to the community as a whole.

In that regard, USL herein commits to make a good faith effort to avoid conflict between events scheduled on its "free" dates and those dates that must be made available in acquiring those type conventions.

G. Scheduling of "flat" shows such as boat exhibits, automobile shows, food festival-type activities, art shows, etc.

H. Pursuit of Mardi Gras activities.

USL herein commits to annually release Mardi Gras week for that purpose (Friday through Wednesday of that week).

I. Pursuit of as many miscellaneous events such as wedding receptions, meetings, banquets, etc. as possible as a means of maximizing community use and awareness of the Cajundome and as a means of generating revenue.

J. Whether through in-house and/or outside resource, development of a marketing plan for the pursuit of those components of a Business Plan that meets the above mentioned objectives.

event, such bonds shall be issued only with the permission of the particular authority in whose name the bonds are to be issued.

In response to your specific question, please be advised that our research did not reveal any provision of law which specifically prohibits a political subdivision, or its respective commissions, from establishing or managing a non-profit corporation that provides a service that the political subdivision or commission would otherwise perform. It is therefore our opinion that political subdivisions, or their respective commissions, can establish non-profit corporations to perform services on behalf of the political subdivision or commissions, as long as the political subdivision or commissions have express or implied authority to do so. In accord is Attorney General Opinion No. 03-0381.

The Commission has the full authority to operate the Cajundome, and shall have "such powers relative to the construction, acquisition, improvement, operation, management, maintenance and improvement of the Cajundome". Therefore, the Commission would have the implied authority to establish a non-profit corporation to better enable the Commission to operate and manage the Cajundome.

Trusting this adequately responds to your request, we remain

Yours very truly,

CHARLES C. FOTI, JR.
Attorney General

BY: _____
KENNETH L. ROCHE, III
Assistant Attorney General

CCF, JR/KLR, III/mjb

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