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STATE OF LOUISIANA
DEPARTMENT OF JUSTICE
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March 6, 2024
OPINION 23-0115

Tiffany N. Sanders
General Counsel
Greater Alexandria Economic
Development Authority
929 Johnston Street
Alexandria, Louisiana 71301

90-A-2 PUBLIC FUNDS – Loan, Pledge or Grants

La. Const. art. VII, § 14(C)

La. R.S. 33:2740.60(B), (C), (D), and (E)

La. R.S. 33:130.351

La. R.S. 33:130.352

La. R.S. 33:130.355(8)

The Greater Alexandria Economic Development Authority does not have the authority to provide a grant through a cooperative endeavor agreement which covers lease payments on property that is located outside the territorial boundaries of the development authority and does not further the renovation, restoration, and development of property within the City of Alexandria.

Dear Ms. Sanders:

You have requested an opinion of the Attorney General on behalf of the Greater Alexandria Economic Development Authority ("GAEDA") concerning a prospective cooperative endeavor agreement between GAEDA and England Economic and Industrial Development District ("EEIDD"). You ask whether it is permissible for GAEDA and EEIDD to enter into a cooperative endeavor agreement in which GAEDA would provide a grant in the amount of three hundred and sixty thousand dollars (\$360,000.00) to offset one-half of Ucore North America, LLC's ("Ucore") lease payments for two years in return for Ucore selecting an EEIDD-located facility for its Louisiana Strategic Metals Complex. Your request has been assigned to me for research and reply.

GAEDA was formed in 2003 by the City of Alexandria, Louisiana in Ordinance No. 286-2003, pursuant to La. R.S. 33:2740.60, to provide for and promote the economic development of the City of Alexandria in order to provide for the renovation, restoration, and development of property in the city and for GAEDA to pay the costs of capital improvements relating thereto, and to engage in cooperative endeavors with the state and its political subdivisions or political corporations, with the United States or its agencies, or with any public or private association, corporation, or individual.¹ The boundaries of GAEDA are the territorial limits of the City of Alexandria.²

EEID was created in 1991 for the object and purpose and utilizing the former England Air Force Base to replace and enhance the economic benefits generated by the former air base with diversified activities including, among other things, planned land uses to foster creation of new jobs, economic development, industry, and relocation of people and businesses to the area.³ EEID is authorized to enter into contracts to achieve the district's

¹ La. R.S. 33:2740.60(B), (C), and (D).

² La. R.S. 33:2740.60(E), City of Alexandria Ordinance No. 286-2003, Section III.

³ La. R.S. 33:130.352.

object and purposes.⁴ England Air Force Base is located approximately five (5) miles northwest of the City of Alexandria, however, the territorial limits of EEID is the entirety of Rapides Parish.⁵

As part of an incentive package, GAEDA would like to provide a grant to EEIDD to offset one-half of Ucore's monthly lease payments for a two-year period if Ucore selects an EEIDD facility for its operations in Louisiana. GAEDA plans to achieve this by entering into a cooperative endeavor agreement with EEIDD, however, you ask whether this is permissible as the England Air Force Base is located outside of the territorial boundaries of GAEDA.

Concerning cooperative endeavor agreements, political subdivisions are authorized by La. Const. art. VII, § 14(C) to enter into such agreements for a public purpose. Although GAEDA has the authority pursuant to local ordinance and La. R.S. 33:2740.60(D) to enter into a cooperative endeavor agreement, we must examine whether GAEDA has the authority to expend funds in such a manner, i.e., funding lease payments on property located outside the territorial boundaries of GAEDA. As discussed earlier, La. R.S. 33:2740.60(D) states that the purpose of GAEDA is for cooperative economic development between the City of Alexandria and GAEDA *in order to provide for* the renovation, restoration, and development of property *in* the City of Alexandria, with GAEDA paying the costs of capital improvements relating thereto and engaging in cooperative endeavors that further the stated purpose. The grant money GAEDA is proposing to provide through a cooperative endeavor agreement would solely be used to offset the lease payments of Ucore on property located outside the City of Alexandria. There is nothing stated in your request to suggest that attracting Ucore to an EEIDD location would lead to the City of Alexandria realizing any renovation, restoration, and development of property within the city limits. While we do agree that GAEDA and EEID appear to have some common and overlapping purposes regarding the City of Alexandria, we do not believe GAEDA has the authority under the described circumstances to provide a grant pursuant to a cooperative endeavor agreement in this manner.

Based on the foregoing, it is the opinion of this office that the Greater Alexandria Economic Development Authority does not have the authority to provide a grant through a cooperative endeavor agreement which covers lease payments on property that is located outside the territorial boundaries of the development authority, under the described circumstances, that does not further the renovation, restoration, and development of property within the City of Alexandria.

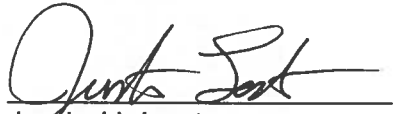
⁴ La. R.S. 33:130.355(8).

⁵ La. R.S. 33:130.351.

We hope that this opinion has adequately addressed the legal issues you have raised. If our office can be of any further assistance, please do not hesitate to contact us.

Yours very truly,

LIZ MURRILL
ATTORNEY GENERAL

BY: 
Justin H. Lester
Assistant Attorney General