



J. PHIL HANEY

DISTRICT ATTORNEY

SIXTEENTH JUDICIAL DISTRICT

PARISHES OF IBERIA, ST. MARTIN & ST. MARY

COURTHOUSE BLDG.
ST. MARTINVILLE, LA 70582
(337) 394-2220
BREAUX BRIDGE
(337) 332-3585

COURTHOUSE BLDG., SUITE 200 • 300 IBERIA STREET
NEW IBERIA, LA 70560-4683 • (337) 369-4420
FAX (337) 364-5302

COURTHOUSE BLDG.
FRANKLIN, LA 70538
(337) 828-4100 (EXT. 550)
MORGAN CITY
(985) 385-2333

March 11, 2010

T.M "Ted" Haik, Jr.
Haik, Minvielle & Grubbs
Attorneys at Law
P.O. Box 11040
New Iberia, LA 70562-3810

Also via fax: 337.367.7069
and e-mail tmhaikjr@hmg-law.com

Re: City of New Iberia vs. Iberia Parish
Docket No. 115420

Dear Ted:

Last night, after discussing the matter in executive session, the Iberia Parish Council instructed me to make the following settlement offer. I was also directed to make this offer public so that the citizens of Iberia Parish are aware of the continued efforts by the Parish and City to amicably resolve this dispute. Attached please find the settlement proposal.

In addition, in the event that this offer is not accepted by the City, the Parish Council invited the City to hold a joint meeting with the Parish Council, at which time the issues could be fully discussed. The Council offered to host such a joint meeting but is willing to hold such a joint meeting at any appropriate location.

I explained to the Parish Council that the proposal submitted to the City on March 9th was completed after extensive discussions between you, Dean and I. I explained to them that at all times we were fully aware that the proposal was a working document because the final approval rested with the respective governing bodies.

I informed the Parish Council that after the City's meeting on Tuesday, March 9, 2010, I received a call from you and Mayor Curry. I informed them that you proposed certain changes to the proposal.

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We explained to the Council the substance of the City's changes to the proposal. The striking of two words and the addition of one sentence in Section 5. We explained to the Council that it was our opinion that these changes resulted in an agreement that may well render the agreement moot.

The purpose of the initial Section 5 was to outline what would happen if legislation was not passed and if the use of TIF generated funds had to be used within the respective boundaries of the City and Parish TIFs. If that occurred, the City and Parish would agree to use the City's 15% TIF set-aside funds and the Parish's matching dollars on mutually agreeable projects.

For example, the City and the Parish would agree to fund a project(s) where the City's TIF funds and the Parish's matching dollars would be used within the boundaries of the respective TIFs. However, such projects would have to be mutually agreed upon. It was anticipated that there would be no shortage of projects that could fit into this category.

The City's changes proposed to remove the words "mutually agreeable" from Section 5. It also added a sentence to the end of Paragraph 5 which reads: "In the case of projects within the corporate limits of the City, the City may use its set aside at its own discretion."

The result of the City's proposals are that if the parties were not able to fund the projects listed in Section 2, the City could use its 15% set-aside for any project it desires. There would be no requirement that the 15% City set-aside and the Parish's matching dollars must be used on a mutually agreeable project.

The result would be that while the Parish's obligation to take the City's TIF out of the Parish's TIF would still be effective, the City could use its 15% set-aside for any project it wants. The Parish Council found these changes unacceptable.

I also explained to the Council the two subsequent modifications to the submitted proposal you made to me Wednesday morning by phone. One involved removing Section 5 altogether and replacing it with a provision that required the parties to go back to trial if the proposed legislation was not passed or if the projects in Section 2 would not be funded.

I also explained to the Council the third modification proposed by the City around noon on Wednesday. That involved some sort of sunset provision built into the agreement.

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Because none of these three proposed changes were in writing it was difficult to present to the Council because I had to rely on my recollection of what had been proposed. I do not fault you for this problem. I appreciate the fact that you were doing the best you could under the circumstances.

I know for example that you were out of your office on Wednesday making submission of a written response to our proposal problematic. I thank you for your efforts, I note the lack of a written proposal just to explain that it did present some difficulty in presenting the three different proposals made since the City's meeting the night before the Parish's meeting.

The Parish Council rejected the proposal to remove Section 5 because it wanted to bring the matter a final conclusion. Taking out Section 5 leaves open the potential for continued litigation. The purpose of Section 5 is make sure the matter is completely and finally resolved. It will force the parties to find a way to work together. The Parish Council wanted to make a proposal that, if accepted, would bring an end to the litigation.

After hearing about the City's three proposed changes, the Parish Council directed me to make the attached settlement offer. One of Mayor Curry's objections was that if Section 5 was applied, the City's 15% set-aside was frozen and could not be used by the City whereas the Parish's matching dollars were not frozen. The City's position is that this would give the Parish an unfair advantage in deciding what was a "mutually agreeable" project.

That interpretation was not the intent of Section 5. However, in an effort to address this concern, the Parish Council agreed to add a sentence to Section 5 to read as follows:

"Until such mutually agreeable projects can be approved by both the City and the Parish, the City's 15% set-aside TIF funds and the Parish's matching dollars would be held in escrow, to be released upon reaching such agreement."

This would place the City and the Parish on equal footing. Both parties would have its respective funds frozen until an agreement on its use is approved. It is anticipated that there are numerous projects that could be funded under this scenario. If the funds were frozen until the City and the Parish reached an agreement on its use, it is highly unlikely that the parties would not be able to find a mutually agreeable project to use said funds.

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The settlement offer below contains several concessions from the settlement proposal made by the Parish on March 3, 2010. First, it agrees to a reduction in the percentage that will be the City's TIF set aside from 25% to 15%. Secondly, it agrees to have this set-aside apply only to the City's La 14 TIF and not both TIFs as was part of the Parish's March 3rd offer. Thirdly, the Parish agreed that instead of the eleven (11) projects listed by the Parish Council in its March 3rd offer, that the TIF funds could be used for, the list of only five (5) projects proposed by the City would be included in the settlement offer. Lastly, as explained above, the Parish agreed to offer language that addressed Mayor Curry's concern about only the City's set-aside being frozen in case of an impasse.

It is respectfully suggested that this represents a substantial concession on the part of the Parish from its March 3rd offer. It indicates a genuine effort to try and resolve this matter amicably.

Acceptance of this offer will bring the threat of litigation to an end. The Parish and the City can cease the legal battle and commence working together on mutually acceptable projects that benefit both the City and the Parish.

I want to thank you for your efforts to try and resolve this matter. I appreciate your cooperation.

Please feel free to contact me at any time. I look forward to hearing from you in the near future. With kind regards, I remain,

Sincerely,

A handwritten signature in black ink that reads "Eric P. Duplantis". The signature is written in a cursive, slightly slanted style.

Eric Duplantis
Assistant District Attorney

SETTLEMENT PROPOSAL

- (1) The Parish will agree to amend its TIF to exclude the corporate limits of the City.
- (2) The City agrees to set aside 15% of the revenues in TIF district #1 (Hwy.14 area business) to be used on the following projects - the extension of Dale St from Jefferson Terrace Boulevard to Bayard St, Fontelieu St, Nelson Canal Road; Bypass from LA 182 to LA 674 to LA 31; construction of a fire house and acquisition of truck and apparatus on south side of the City; connect Queen City Drive to Sucrose Drive; Extend Sucrose Drive to LA Hwy 675.
- (3) The Parish agrees to set aside the amount of dollars that the City's 15% equals for the construction of the 5 projects mentioned so that the set aside for both the City and the Parish is used exclusively on these projects.
- (4) This agreement will be memorialized in the form of an Intergovernmental Agreement between both parties and the parties will seek both an Attorney General's Opinion on this use of funds and validity of this agreement and also request that our legislative delegation confirm same with a legislative instrument/bill.
- (5) Should the cooperative agreement not receive a favorable attorney general's opinion or authorizing legislation, or should bonding authorities decline to bond the financing due to objections to the agreement, then both governments will be obligated to a solution such as mutually agreeable projects within the TIF districts which comply with the economic development law that will give effect to the object and purpose of the cooperative agreement. The object and purpose are hereby stated to be a sharing of funds from both the City's and Parish TIFs to support infrastructure projects that benefit both the City and the Parish. By way of an example of such a solution that will give effect to the object and purpose of the cooperative agreement, the parties could agree to funding any of the projects named in paragraph 2, or any other mutually agreed upon project, by having the City's share of the TIF funds used for that portion of the project within the boundaries of the City's TIF district and the Parish using its matching funds for the project within the boundaries of the Parish's TIF district. Until such mutually agreeable projects can be approved by both the City and the Parish, the City's 15% set-aside TIF funds and the Parish's matching dollars would be held in escrow, to be released upon reaching such agreement.
- (6) Upon execution of the agreement, the City shall dismiss its suit with prejudice and the Parish shall amend its ordinance to exclude the incorporated limits of the City.

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(7) As stated in Court on March 8, 2010, this continuance is agreed upon with the confirmation from the Parish that it shall not amend or seek to make any changes to their ordinance, witness or exhibit list until both parties are satisfied that this agreement shall be binding on both parties.

(8) Both parties agree that if the City of New Iberia and Iberia Parish Government do not approve the instant provisions before March 29, 2010 then this matter will be tried before Judge Conery as stipulated to in Court.