

**COOPERATIVE ENDEAVOR AGREEMENT
BY AND BETWEEN
CITY OF NEW ORLEANS AND THE STATE OF LOUISIANA,
THROUGH THE DIVISION OF ADMINISTRATION AND
LOUISIANA STATE UNIVERSITY**

THIS AGREEMENT ("Agreement") made and entered into effective the 1st day of August, 2008 (the "Effective Date"), by and between the City of New Orleans ("City"), appearing herein through C. Ray Nagin, its Mayor, and the State of Louisiana, through the Division of Administration ("State"), appearing herein through Angele Davis, its Commissioner of Administration; and the Board of Supervisors of Louisiana State University A&M College ("LSU"), appearing herein through John V. Lombardi, its President, all duly authorized to appear herein.

WITNESSETH

WHEREAS, The City is a local government political subdivision of the State of Louisiana; and

WHEREAS, the State of Louisiana is represented by the Division of Administration, the administrative agency of the State of Louisiana; and

WHEREAS, the 1974 Louisiana State Constitution, Article 7, Section 14 (C), and the Home Rule Charter of the City of New Orleans, Section 9-314, authorize cooperative endeavor agreements for a public purpose among political entities such as the City and the State; and

WHEREAS, the parties desire to enter into agreement for site acquisition and relocation associated with the construction of a medical center, including the utilization of any authority available to the State and LSU for acquisition. The site is to be utilized for the purpose of constructing a hospital by the United States Department of Veterans Affairs (the "Project"). This acquisition constitutes a public purpose within the meaning of the 1974 Louisiana State Constitution and the Home Rule Charter of the City of New Orleans; and

WHEREAS, the site recommended by the Regional Planning Commission, and the City, in collaboration with others (the Biomedical Science Centers Site), within the area of the First Municipal District of the City of New Orleans/Orleans Parish bounded on the North by Canal Street, on the East by Galvez St., on the South by Tulane Avenue and on the West by South Rocheblave St. or a mutually agreeable similarly situated site within that vicinity, is the preferred

location for the construction of the Project, but the parties recognize that no final decision has been made regarding site selection and no decision will be made until the procedural requirements of The National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) have been satisfied; and

WHEREAS, the parties recognize that the State has received Community Development Block Grant (CDBG) funds from the Department of Housing and Urban Development (HUD) and has allocated funding to the City of New Orleans from its Long Term Community Recovery Program, and the City requests the State to retain and pay the aforementioned CDBG funds directly to those persons and entities as necessary to complete the obligations of the City and the State under this Agreement; and

WHEREAS, the City recognizes that pursuant to its receipt as sub-grantee of CDBG funds associated with the Project, it may be designated as the "Responsible Entity" for environmental and historic preservation review purposes, and to the fullest extent possible, the City desires to delegate the authorities and responsibilities of said designation to the State to act on its behalf as the Responsible Entity and/or the City's environmental and historic preservation consultant under this Agreement; and

WHEREAS, the site bounded on the North by Canal Street, on the East by Galvez Street, on the South by Tulane Avenue, and on the West by South Rocheblave Street is the preferred location for the construction of the Project, but the parties recognize that no final decision has been made regarding site selection and that no final decision will be made until the procedural requirements of NEPA and NHPA have been satisfied; and

WHEREAS, the parties agree that it is in the best interests of the City, the State and LSU to facilitate the construction of the Project, given the enhanced training opportunities and experience for students attending the LSU and Tulane Medical Centers and students of other allied health professional programs, to be derived from the location of the Project; and

WHEREAS, the parties agree that the State shall acquire the site for the Project if the preferred location is selected, and shall perform relocation services for the City, and at the City's expense, by purchase and, if required, to exercise the expropriation authority of LSU for the acquisition of any parcels which are not acquired through voluntary transfer; and

WHEREAS, it is contemplated that the United States Department of Veterans Affairs (VA) will provide sufficient funds to the City and/or State to cover the costs of mitigation and related costs; and

WHEREAS, the City has already transferred the sum of \$1,000,000.00 DOLLARS to the State pursuant to an Inter-Agency Transfer Agreement for the purposes set forth herein, and has committed in addition to the balance of the one million dollars, to provide another \$75,000,000.00 DOLLARS in CDBG funds and \$3,000,000.00 DOLLARS in non-CDBG funds, pursuant to an Interagency Payment and Transfer Agreement between the City and the State; and

WHEREAS, the parties hereto have agreed to enter into this Agreement for the purpose of implementing the Project and to set forth their respective rights and obligations in favor of the VA.

NOW THEREFORE, the parties do hereby agree and bind themselves one unto the other and in favor of the VA with regard to the Project Site as follows:

I. OBLIGATIONS OF THE PARTIES:

- A. The City and the State agree that the State shall acquire, in the name of the State and/or LSU, as the State deems appropriate, through expropriation or otherwise, by any means necessary and within its authority, the site bounded on the North by Canal Street, on the East by Galvez Street, on the South by Tulane Avenue, and on the West by South Rocheblave Street, should this site be selected by the VA for the construction of the Project, and the State and LSU shall transfer or convey the acquired property to the VA for the public purpose of constructing the Project. In addition to acquiring the property, the State shall oversee relocation requirements for any Site on behalf of the City, provided there are sufficient funds made available by the City for these purposes. The State may use funds in its possession and designated as City funds, that shall not at any time exceed the maximum compensation, in the aggregate of \$79,000,000 derived from the prior \$1,000,000 transferred, an additional \$75,000,000 Dollars in CDBG funds and 3,000,000 Dollars in non-CDBG funds for the performance of the services required to satisfy the City's obligations under this Agreement.
- B. The City and State agree that, to the fullest extent possible under applicable law, the State shall act on the City's behalf as the Responsible Entity with the

exception of the negotiation of an agreement of any mitigation methods and/or alternative treatments measures that may result from the NHPA or NEPA processes and/or the City's environmental and historic preservation consultant under this Agreement, and shall, without further approval from the City, engage consultants and experts and take other steps as the State deems appropriate to comply with all environmental and historic preservation requirements of the NEPA and the NHPA. City and State shall maintain a cooperative relationship to meet public information requirements and social work case management functions as may be agreed upon. The City shall participate in the environmental and historic review processes subject to the foregoing provision.

- C. Nothing in this Agreement shall be deemed to modify the City's obligation to act as the Responsible Entity pursuant to HUD regulations, and the obligations which the City is required to perform as the sub-grantee of HUD CDBG funds, including but not limited to, the execution of certain environmental and historic preservation compliance documents and the City's responsibility to meet the compliance standards required of the Responsible Entity under applicable federal law and regulations. The parties also acknowledge that any professional service contracts for consulting services which may arise out of this agreement, in association with HUD CDBG funds, shall be subject to and shall comply with the appropriate HUD contractor rules and regulations. The aforementioned laws, rules and regulations are hereby incorporated by reference into this agreement.
- D. The City and State acknowledge that the City shall also serve as a "signing party" as required by the NHPA and, in doing so, the City shall assist in the execution of an efficient and streamlined Section 106 process by providing information and participating in historic preservation consultations from the local level.

- E. The City and State agree that the City will hire its own case management consultant that will coordinate social services associated with relocation as needed. The State further agrees that the State will make its relocation consultant available, upon request to the State, to provide current status, information and support to the City in this endeavor. The City shall provide public education, media, and public relations services associated with the acquisition and development of the Project.
- F. The City and State agree that the City shall provide to the State on deposit, a sum sufficient to cover any expenses associated with the acquisition of properties for any Site prior to any expenditure by the State on the City's behalf as are required for expenses in furtherance of this Agreement, including but not limited to, the hiring of consultants and experts for the completion of all environmental and historic preservation requirements under NEPA and NHPA.
- G. The City and State agree that the City hereby requests that the State acquire property and make expenditures for the purposes of this Agreement, under the authority of the Director of the City's Office of Recovery and Development Administration.
- H. Nothing in this Agreement shall be construed to mean that the State shall be obligated to use its own funds for any of the purposes under this Agreement.

II. NOTICE

- A. Any notice, demand, communication or request or permitted hereunder shall be in writing and delivered in person or by certified mail, return receipt requested as follows:

If to the City: Dr. Edward J. Blakely, Executive Director
 City of New Orleans
 Office of Recovery Development
 1340 Poydras Street; 10th Floor
 New Orleans, Louisiana 70112

and

Penya M. Moses-Fields
City Attorney
City of New Orleans

1300 Perdido Street, 5E03
New Orleans, Louisiana 70112

If to the State: Office of Facility Planning and Control
Post Office Box 94095
1201 N. Third Street; suite 7-160
Baton Rouge, Louisiana 70804

and

Office of General Counsel
Division of Administration
Post Office Box 94095
Baton Rouge, Louisiana 70804

and if to LSU: Dr. Fred Cerise
3810 W. Lakeshore Drive
Baton Rouge, Louisiana 70808

B. Notices shall be effective when received by each of the above referenced individuals at the addresses specified above. Each party shall be responsible for notifying the other in writing that references this Agreement of any changes in the respective addresses set forth above.

C. Nothing contained in this Agreement shall be construed to restrict the transmission of routine communications between representatives of the City and State.

III. APPROPRIATION:

The obligations of the State and the City, or the City's nominee, under this Agreement are subject to and conditioned upon the appropriation by the legislature or appropriate body of sufficient funds therefore and the availability of funds following legislative or City Council appropriation, as required.

IV. DURATION:

This Agreement shall commence on the Effective Date and shall continue for a period of twelve months, ending on August 21st, 2009. This Agreement may be renewed on an annual basis for no longer than five one-year periods, provided that (A) additional funding, if required, is allocated by City and incorporated herein by a duly authorized amendment to this Agreement

and (B) the renewal of this Agreement will facilitate the continuity of the services described herein.

V. REPORTING & AUDITS:

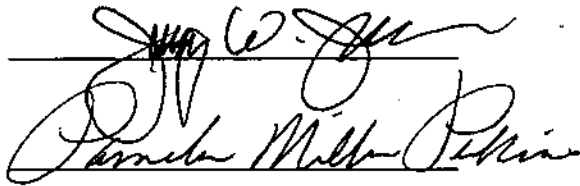
- A. The State shall provide to the City a master budget associated with the acquisition and development of the Project, including obligations, expenditures and forecasting.
- B. The State shall provide to the City monthly reports of all expenditures for each month beginning 30 days from the execution of this agreement. Such reports shall include, but not be limited to, the project status and expenditures. Also, the State shall provide to the Mayor, City Council or any of its respective committees detailed quarterly reports of the status, obligations and expenditures that are associated with the acquisition and development of the VA site as requested by the City's designated point of contact.
- C. The City shall, during the term of the Agreement, cause to be conducted annually, by a duly qualified certified public accountant, an audit and examination of the States' books, records, ledgers and accounts relating to the payments made to the State under this Agreement. The City shall provide the State with copies of the annual audit report, and any other financial reports which relate to the Project, no later than thirty (30) days after receipt by the City.

VI. GOVERNING LAW, JURISDICTION AND VENUE:

This Agreement shall be construed and enforced in accordance with the laws of the State of Louisiana, excepting its conflict of laws provision. In the event that any dispute arises between the parties relating to the obligations created in this agreement, the parties agree that jurisdiction and venue to resolve any and all disputes shall be in the 19th Judicial District Court of the State of Louisiana.

IN WITNESS WHEREOF, the parties hereto, through their duly authorized representatives, have executed this Agreement to be effective as of the date first written above.

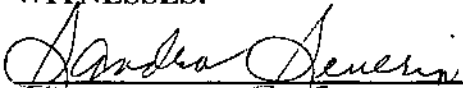
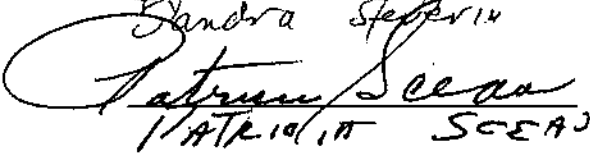
WITNESSES:


Pamela Miller-Pellin

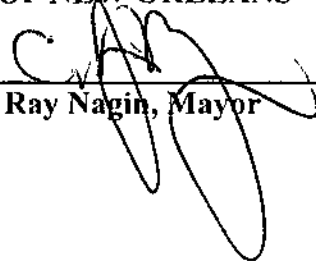
DIVISION OF ADMINISTRATION
STATE OF LOUISIANA

By: 
Angele Davis, Commissioner


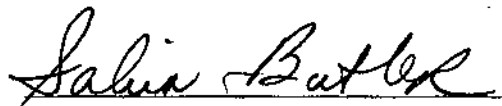
WITNESSES:


Sandra Jenerin

PATRICK SEENA

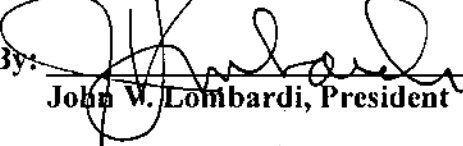
CITY OF NEW ORLEANS

By: 
C. Ray Nagin, Mayor

WITNESSES:

BOARD OF SUPERVISORS,
LOUISIANA STATE UNIVERSITY &
A&M COLLEGE

By: 
John W. Lombardi, President

Approved as to form and legality


Law Department, City of New Orleans