

**ORDINANCE NO. O-129-2006**

**AN ORDINANCE OF THE LAFAYETTE CITY-PARISH COUNCIL CREATING AN ECONOMIC DEVELOPMENT DISTRICT WITHIN THE CITY-PARISH OF LAFAYETTE TO BE NAMED THE "LAFAYETTE I-10 CORRIDOR DISTRICT AT MILE MARKER 103"(THE "DISTRICT"); DEFINING THE BOUNDARIES THEREOF FROM WHICH CERTAIN LOCAL SALES TAX INCREMENTS WILL BE DETERMINED AND USED TO FINANCE MULTIPLE ECONOMIC DEVELOPMENT PROJECTS WITHIN THE DISTRICT (EACH PROJECT HEREINAFTER APPROVED BEING REFERRED TO HEREIN AS A "PROJECT" OR "PROJECTS"), TO BE FINANCED WITH REVENUE BONDS TO BE ISSUED BY THE INDUSTRIAL DEVELOPMENT BOARD OF THE PARISH OF LAFAYETTE, LOUISIANA, INC. OR ANY OTHER ENTITY DESIGNATED BY THE LAFAYETTE CITY-PARISH CONSOLIDATED GOVERNMENT, PAYABLE FROM SALES TAX INCREMENTS WITHIN THE DISTRICT, 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 Lafayette City-Parish Council, that:

**WHEREAS**, the Lafayette City-Parish Consolidated Government may use its sales tax increments on a cash basis or to secure revenue bonds, in accordance with the Act, to provide funds needed to finance Projects: and

**WHEREAS**, in order to accomplish the funding of Projects in accordance with the requirements of the Act, the Lafayette City-Parish Council proposes to create the District, from which District sales tax increments are expected to be determined and used to fund sales tax increment revenue bonds.

**NOW, THEREFORE, BE IT FURTHER ORDAINED** by the Lafayette City-Parish Council, that:

**SECTION 1:** All of the aforescribed "Whereas" clauses are adopted as part of this ordinance.

**SECTION 2:** There is hereby created an economic development district within the City-Parish of Lafayette, to be named the "Lafayette I-10 Corridor District at Mile Marker 103" (the "District"), as described in Exhibit A attached hereto, which Exhibit A is hereby incorporated in and made a part of this ordinance, all pursuant to Part II of Chapter 27 of Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33:9038.1 through 9038.10, inclusive) (the "Act"). The governing body of the District shall be the Lafayette City-Parish Council. As provided by the Act, the District shall be a political subdivision of the State of Louisiana and shall possess such powers and authority and have such duties as provided in the Act and other law.

**SECTION 3:** The Lafayette City-Parish Council ratifies the prior publication of a notice describing the boundaries of the District, containing a map showing the boundaries of the District.

and informing the citizens of the date of consideration of this ordinance, said notice having been published two times in the *Daily Advertiser*, the official journal of the City-Parish, in the form of the notice attached hereto as **Exhibit B**.

**SECTION 4:** In accordance with the Act, the Lafayette City-Parish Council hereby authorizes and directs The Industrial Development Board of the Parish of Lafayette, Louisiana, Inc. to issue the revenue bonds secured by incremental increases in sales taxes in the District, on behalf of the Lafayette City-Parish Consolidated Government.

**SECTION 5:** Pursuant to Section 9038.9 of the Act, this Council hereby gives notice that a one (1) cent additional sales tax may be levied in the District and the Lafayette City-Parish President and his staff are hereby authorized to publish any notices relating thereto required by the Act.

**SECTION 6:** Notwithstanding anything to the contrary contained herein, sales tax increments within the District, if any, and proceeds of revenue bonds secured by such incremental taxes, if any, shall be used only for Projects in the manner set forth in a subsequent ordinance of the Lafayette City-Parish Council.

**SECTION 7:** The Lafayette City-Parish President and his staff are hereby authorized to do any and all things necessary and incidental to carry out the provisions of this ordinance.

**SECTION 8:** All ordinances or resolutions, or parts thereof, in conflict herewith are hereby repealed.

**SECTION 9:** This ordinance shall become effective upon signature of the Lafayette City-Parish President, the elapse of ten (10) days after receipt by the Lafayette City-Parish President without signature or veto, or upon an override of a veto, whichever occurs first.

\* \* \* \* \*

**EXHIBIT A**

The Lafayette I-10 Corridor District at Mile Marker 103 consists of:

Commencing at a point of beginning as existing on July 4, 2006, said point being located in the State of Louisiana, the Parish and City of Lafayette at the intersection of the centerline of the right of way of Moss Street and the centerline of the right of way of Interstate 10 (hereinafter referred to as I-10) as shown on a map entitled "Proposed Interstate 10 Frontage Roads TIF Districts" being dated May 4, 2006 as drawn by Lafayette Consolidated Government, said point being marked as POB.

Thence northward on the Moss Street Centerline to the northern right of way line of I-10;

Thence eastward along the northern right of way line of I-10 to a point of intersection to the eastern property line of Graham Brown Memorial Park, owned by Lafayette Consolidated Government;

Thence northward along the said eastern property line and continuing along the bearing of said property line to a point of intersection with the northern right of way line of East Pont des Mouton Road;

Thence eastward along said northern right of way line to a point of intersection with eastern bank of the Vermilion River; said waterway also known as the Vermilion Bayou and Bayou Vermilion;

Thence southward along said bank to a point of intersection with a tangent, said tangent being generally parallel to and being located approximately 650 feet south of the centerline of I-10;

Thence westward along said tangent to a point of intersection with the southernmost right of way line of Shadow Bluff Road;

Thence southwestward along said southernmost right of way line to a point of intersection with the easternmost bank of Francois Coulee;

Thence northward along said bank to a point of intersection with the southern right of way line of I-10;

Thence westward along said southern right of way line to a point of intersection with the centerline of Moss Street;

Thence northward along said centerline to a point of intersection with the centerline of I-10, said point being the point of beginning such that the following areas are included and excluded (as the case may be):

**1. Included Area Number 1:**

The area labeled and bordered as I-10 TIF District at Mile Marker 103 shown in detail in a heavy dashed line.

**2. Excluded Areas Numbered 1 to 3:**

**Excluded Area #1**

The large square (north of I-10) surrounding the inhabitations marked and numbered #1.

**Excluded Area #2**

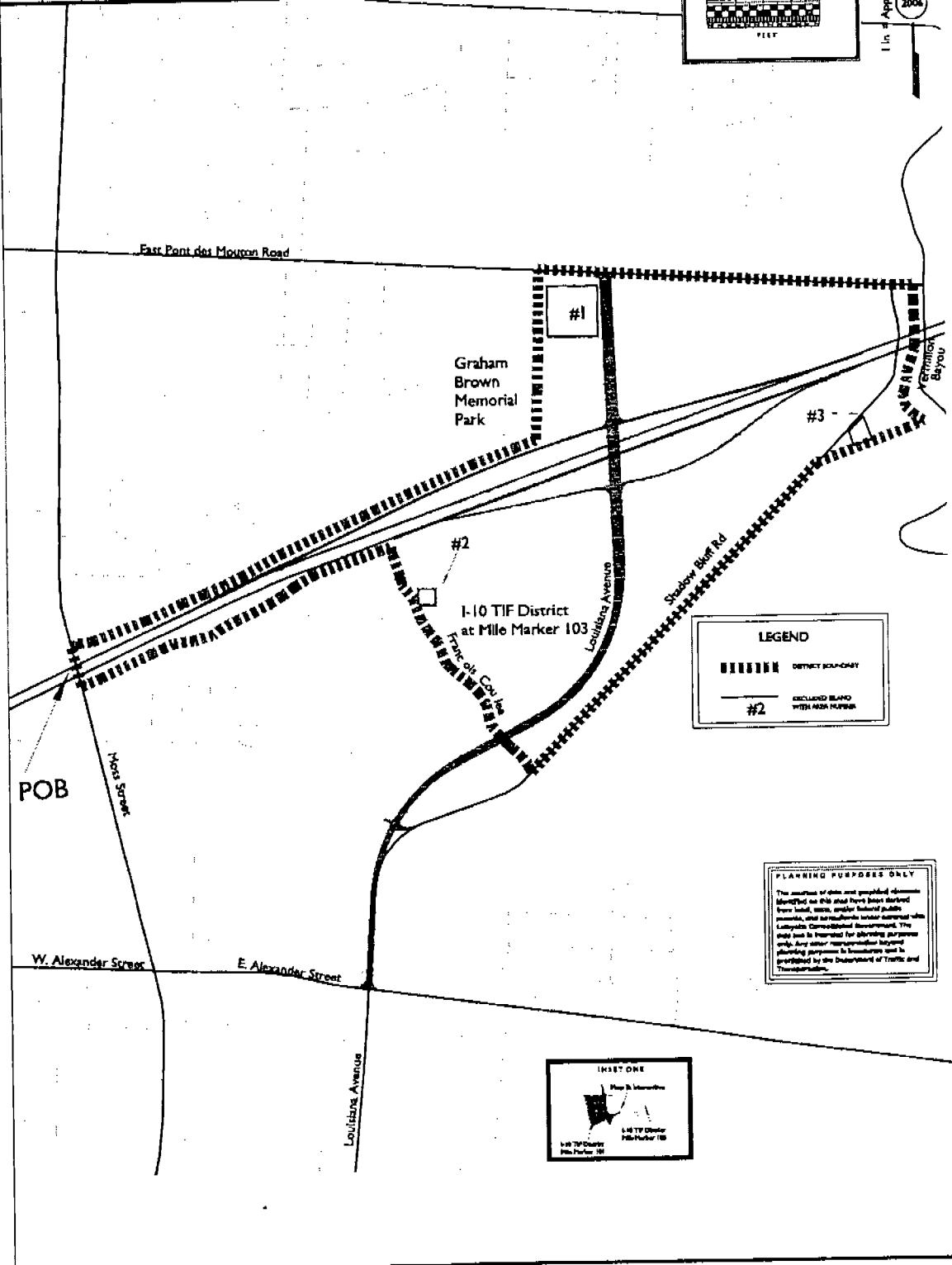
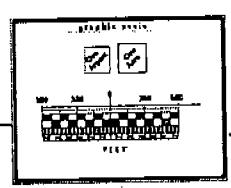
The small square (south of I-10) surrounding the inhabitation marked and numbered #2.

**Excluded Area #3**

The polygon (nearest the Vermilion River) surrounding the inhabitable parcel marked and numbered #3.

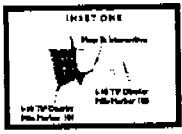
For further illustration see the following map:

Date	Name	By	Revision



LEGEND	
	DISTRICT BOUNDARY
	EXCLUDED ISLAND WITH AREA NUMBER #2

**PLANNING PURPOSES ONLY**  
 The location of sites and proposed elements identified on this plan have been derived from local, state, and/or federal public records, and are not to be construed as Lafayette Consolidated Government. This plan is intended for planning purposes only. Any other responsibility beyond planning purposes is to be assumed and is prohibited by the Department of Traffic and Transportation.



<p><b>LAFAYETTE CONSOLIDATED GOVERNMENT</b>          CISIR de la Commune Acadienne et Creole</p>	<p>Lafayette Consolidated Government          Traffic &amp; Transportation Department          Metropolitan Planning Organization          Comprehensive Planning Division</p>	<b>Proposed Interstate 10 Frontage Road TIF District</b> <b>I-10 TIF District at Mile Marker 103</b>		<b>SHEET</b> 1/1
		Alan TT    Kwg M L    PFile:	PROJ: 10333-02	
Date: 4/11/07 3:14 PM From: LAWYER, J. P.		File: I-10_TIF_district_103-2_line_plan.dwg 11x17		Date: 4/11/07

**EXHIBIT B**

**LAFAYETTE CITY-PARISH CONSOLIDATED GOVERNMENT  
OFFICIAL NOTICE**

NOTICE IS HEREBY GIVEN that the Lafayette City-Parish Council proposes to consider the creation of an economic development district under the authority of Part II, Chapter 27, Title 33 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 33: 9038.1 through 9038.10) (the "Act"). The proposed district, to be known as the "Lafayette I-10 Corridor District at Mile Marker 103", will consist of the following:

Commencing at a point of beginning as existing on July 4, 2006, said point being located in the State of Louisiana, the Parish and City of Lafayette at the intersection of the centerline of the right of way of Moss Street and the centerline of the right of way of Interstate 10 (hereinafter referred to as I-10) as shown on a map entitled "Proposed Interstate 10 Frontage Roads TIF Districts" being dated May 4, 2006 as drawn by Lafayette Consolidated Government, said point being marked as POB.

Thence northward on the Moss Street Centerline to the northern right of way line of I-10;

Thence eastward along the northern right of way line of I-10 to a point of intersection to the eastern property line of Graham Brown Memorial Park, owned by Lafayette Consolidated Government;

Thence northward along the said eastern property line and continuing along the bearing of said property line to a point of intersection with the northern right of way line of East Pont des Mouton Road;

Thence eastward along said northern right of way line to a point of intersection with eastern bank of the Vermilion River; said waterway also known as the Vermilion Bayou and Bayou Vermilion;

Thence southward along said bank to a point of intersection with a tangent, said tangent being generally parallel to and being located approximately 650 feet south of the centerline of I-10;

Thence westward along said tangent to a point of intersection with the southernmost right of way line of Shadow Bluff Road;

Thence southwestward along said southernmost right of way line to a point of intersection with the easternmost bank of Francois Coulee;

Thence northward along said bank to a point of intersection with the southern right of way line of I-10;

Thence westward along said southern right of way line to a point of intersection with the centerline of Moss Street;

Thence northward along said centerline to a point of intersection with the centerline of I-10, said point being the point of beginning such that the following areas are included and excluded (as the case may be):

**1. Included Area Number 1:**

The area labeled and bordered as I-10 TIF District at Mile Marker 103 shown in detail in a heavy dashed line.

**2. Excluded Areas Numbered 1 to 3:**

**Excluded Area #1**

The large square (north of I-10) surrounding the inhabitations marked and numbered #1.

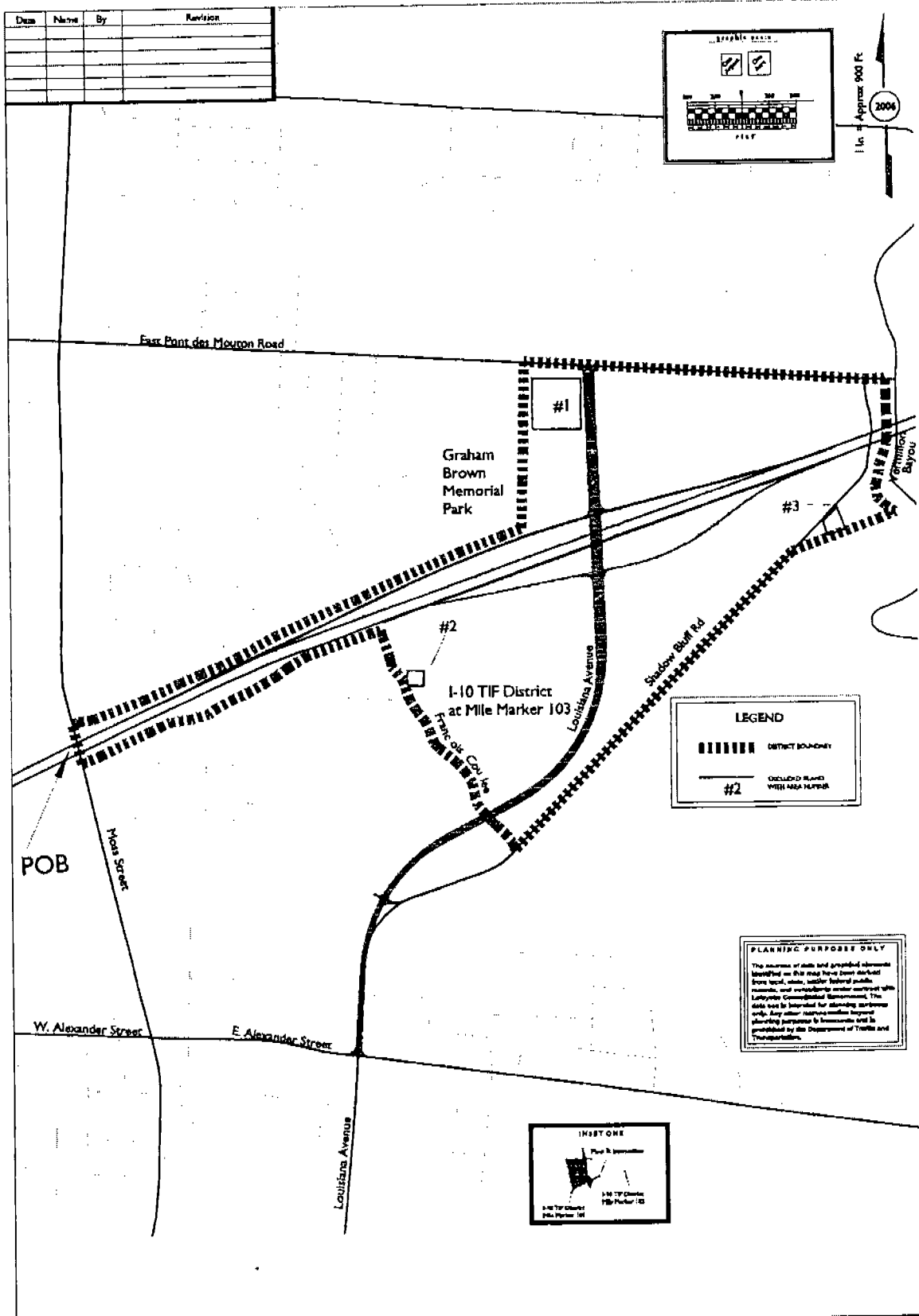
**Excluded Area #2**

The small square (south of I-10) surrounding the inhabitation marked and numbered #2.

**Excluded Area #3**

The polygon (nearest the Vermilion River) surrounding the inhabitable parcel marked and numbered #3.

For further illustration see the following map:



<p><b>LAFAYETTE CONSOLIDATED GOVERNMENT</b> CREATED BY LA CONSTITUTIONAL COMMISSION BY ACT 100</p>	<p>Lafayette Consolidated Government Traffic &amp; Transportation Department Metropolitan Planning Organization Comprehensive Planning Division</p>	<p><b>Proposed Interstate 10 Frontage Road TIF District</b> <b>I-10 TIF District at Mile Marker 103</b></p>		
		<p>Map: IT    Draw: M. L.    PFile:    PROJ: 13-33-07    SHEET</p> <p>Draw: A:\13-33-07-10-Front_Road_TIF_District</p> <p>File: I-10_TIF_district_3-2_02_photos_11x17    Date: 6/2/06</p>	<p>1/1</p>	

The District will be created for the purpose of facilitating the financing of one or more economic development projects, using tax increment financing as authorized by the Act.

The public is further notified that the Lafayette City-Parish Council plans to consider the creation of the above District and related matters at the regular Lafayette City-Parish Council meeting to be held at 705 W. University Avenue, Ted. A. Ardoin City-Parish Council Auditorium, at 5:30 p.m. on Wednesday, July 5, 2006, at which time the public will be afforded an opportunity to comment upon the creation of the District.

# Lafayette Consolidated Government Sales Tax Increment Financing - Outline of Procedures

## **Create Economic Development District** - first step in sales tax increment financings

1. Prior to adoption of an ordinance creating the district, a notice describing the boundaries of the proposed district or containing a map shall be published two (2) times in the official journal of the LCG.
2. The ordinance is introduced to lay over for adoption in the same manner as other LCG ordinances.
  - a. Such ordinance will designate the boundaries of the district; and
  - b. Appoint the Parish Industrial Board as the issuer of the Bonds.
3. By operation of law, the LCG is the governing authority of the district

## **Establishment of the Baseline, Pledge of the Sales Tax, State Participation**

1. **Second Ordinance** - A subsequent ordinance is introduced, laid over and passed, after publication of a notice of intent to increase taxes (once a week for two weeks in the official journal of LCG) within the district to:
  - a. Levy an increased sales tax;
  - b. Identify the sales tax, or portion thereof, to be used;
  - c. Establish the baseline sales tax; and
  - d. Authorize the issuance of bonds by the local IDB.
2. Initial annual baseline collection rate and monthly baseline collection rate must be certified by the chief financial officer or equivalent of the LCG. Certification must be published one (1) time in the official journal of the local governmental subdivision
3. In connection with the levy of additional sales tax, must obtain a certification from the registrar of voters that there are no qualified electors in the District.



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4. Participation of the State of Louisiana – sales tax of the State may be dedicated, not to exceed the amount of local sales tax dedicated
  - a. Secretary of DED must submit the proposed project to the Joint Legislative Committee on the Budget for approval
  - b. Bond Commission must approve any Cooperative Endeavor Agreement entered into by the State

#### **Bond Issuance Procedures**

1. Resolutions of the IDB as Issuer of Bonds
  - a. Preliminary
  - b. Bond Resolution
    - i. Approve all documents
    - ii. Designate which portion of increment will be pledged to secure the Bonds
  - c. Sale Resolution
    - i. To be adopted at a public hearing for the purpose of hearing any objections to the proposed issuance of the Bonds
    - ii. Notice of Intention to sell Bonds must be published once a week for two weeks in the official journal of the district, the 1<sup>st</sup> publication to appear at least 14 days prior to the public hearing. Notice shall state date, time and place of the hearing. Notice must also clearly identify all incremental increases in taxes pledged to Bonds
2. Document Requirements
  - a. Interest must be payable semi-annually
  - b. Principal must be payable annually
  - c. Issuer must establish a sinking fund and a debt service reserve fund, if deemed necessary by the Issuer to allow the Bonds to be marketed at reasonable interest rates
    - i. Monthly sinking fund payment must be an amount equal to 1/6 of the interest payable on the revenue bonds on the next

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succeeding interest payment date and 1/12 of principal payable on the next succeeding principal payment date

- ii. Not later than the 20<sup>th</sup> day of each calendar month, the collector of any local sales taxes in the district must transfer to the sinking fund, the lesser of the required sinking fund payment or the pledged increment. Any shortfall shall be made up in subsequent months. After each annual principal payment, the Issuer must use any excess monies in the sinking fund, if any, as a credit against monthly sinking fund deposits in the next year or to prepay, purchase or defease outstanding bonds.
  - iii. Maturities shall be arranged in such a manner that the debt service falling due in any calendar year shall never exceed the greater of (i) 85% of the amount of pledged sales tax increment estimated by the issuer to be received in the 1<sup>st</sup> full calendar year after the economic project has been complete, (ii) 80% of estimated pledged sales tax increment received in second full calendar year, or (iii) 75% of estimated pledged sales tax increment received in 3<sup>rd</sup> full calendar year. Bond Resolution must be published one (1) time in the official journal of the issuer and allow 30 days to run -- "peremptive period"
3. Application is made to the State Bond Commission for approval of the bonds and to the State Bond Commission, the Governor and the Louisiana Department of Economic Development for allocation and designation of the bonds as "Go Zone Bonds"
  4. The State, must enter into an Intergovernmental Agreement with the issuer authorizing and dedicating the inclusion of the incremental increase in sales tax
  5. Approval of Bonds by State Bond Commission
  6. Filing of Bond Validation suit to declare the bonds to be legal. The validation process takes approximately 30 days to complete. However, if the validation suit is contested, the process could take much longer. At that point, the timing would be in the hands of the courts and would also depend on whether the losing party appeals the case to higher courts.
  7. Post Issuance of Bonds - the issuer must notify the collector of the local sales tax and shall provide the collector with an annual debt service schedule and a schedule showing the monthly sinking fund requirements.

8. Many of the steps and procedures described herein may be pursued concurrently.
9. From introduction of the ordinance to funding of tax increment bonds is likely to require about six months of time.

**LAFAYETTE CONSOLIDATED GOVERNMENT  
INTERNAL MEMORANDUM**

Traffic & Transportation Department  
Office of the Director (597)  
e-mail: ttramel@lafayettegov.com

Telephone: 291-8546

Fax: 291-8019

**TO:** Dee Stanley**DATE:** May 23, 2006**FROM:** Tony Tramel**SUBJ: Proposed Ordinances – TIF Districts  
Lafayette I-10 Corridor Mile Marker 101 District and  
Lafayette I-10 Corridor Mile Marker 103 District****Background:**

There has been an interest on multiple fronts related to the creation of Tax Increment Finance (TIF) districts in Lafayette Parish. Inasmuch as the Traffic & Transportation Department has the technical expertise to delineate the subject districts, the Traffic & Transportation Department took the lead in pursuing/coordinating this effort. On February 16, 2006, Traffic & Transportation staff briefed the City-Parish Council and Administration on TIF districts. Attached is a copy of the presentation made at that time. Additionally, LEDA's attorney Ray Cornelius, recognized as "the expert" in the creation of TIF's in Louisiana also responded to Council questions at this same meeting.

**Analysis:**

TIF Districts have been used successfully in 49 other states and have just recently been introduced in the state of Louisiana. A special legislative process mandates/details the creation of TIF districts. It appears, based on extensive discussion with business owners, LEDA staff and administration, the proposed TIF districts are, in reality, a special taxing district because it is anticipated an additional sales tax would be implemented within these two districts rather than a property tax. This would be a new revenue; therefore, 100% of this TIF sales tax would be re-invested within the designated district. The property owners/business owners would, in essence, pass this additional tax on to their customers. Initially, some business persons had concerns about being at a competitive disadvantage because of the additional sales tax on their goods and services within the TIF districts; however, the benefits generally appear to outweigh this concern. Many business owners have now expressed support for the TIF as a "spark" for economic development and improvements to public infrastructure.

It is our understanding, the state of Louisiana would match the TIF income up to 1% within the district. What this would mean as an example, would be if the Council imposed a 1% additional sales tax for these two areas, a corresponding 1% of the current state sales tax would be collected and be directed to the TIF district account, rather than going to Baton Rouge for funding state government. Therefore, it appears this additional sales tax has a 100% rate of return and, therefore, can serve as a funding source of "Pay As You Go" funds and/or could be bonded. These funds are also restricted to projects within and/or to the direct benefit of the district. The funds cannot be used for projects completely outside of the district as this would violate the intent and purpose of establishing the TIF district. Legislation relating to TIF's indicates, if residents are contained within the TIF, a general election of the voters within the TIF district is required to establish same. If the area is vacant/undeveloped and/or contains no residents, e.g., there are no persons living within the district, the City-Parish Council can create the district by introducing an

ordinance and voting on same. Under this approach, the Council becomes the governing board of the district as it relates to expenditure of TIF funds. These funds are intended to be used for qualified infrastructure improvements which have direct benefit to the districts themselves.

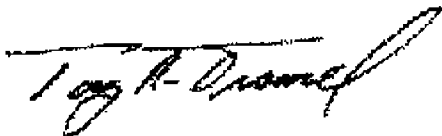
The creation of a new sales tax in the TIF negates the requirement of trying to increment the existing property and sales taxes when multiple organizations share these revenues, e.g. Sheriff's Department, School Board, Bayou Vermilion District, Library, etc. If any of these organizations would choose not to permit the re-direction of their anticipated future revenues, the district would not receive same. By having a new revenue, those entities' anticipated revenue projections from existing taxes (sales and property) would be unaffected by the creation of TIF districts with an additional sales tax within the TIF.

The TIF is an additional tool which can be used to continue providing for infrastructure needs for the community including, but not limited to I-10 service roads, extension of North St. Antoine, reconstruction of the Pont des Mouton interchange to easy on/easy off configurations, and/or other prudent public roads and streets and related amenities within the two districts.

**Recommendation:**

Attached are two ordinances which will create the Mile Marker 101 and Mile Marker 103 TIF Districts. Both have the support of two very large prospective developments, one proposed for a site near Interstates 10 & 49 and the other at Interstate 10 and Louisiana Avenue. It is my understanding you would like these ordinances to be introduced on June 20, 2006 with final adoption on July 5, 2006. Please note the special requirement for notices and/or maps of the proposed districts which must be published two times in *The Daily Advertiser* before final adoption. I assume your office will initiate and carry out this requirement.

Should you have any questions concerning this matter please contact me at 291-8546.



Tony R. Tramel, P.E., P.T.O.E.  
Director of Traffic & Transportation

cp

Attachments

c:

Stephanie Decker  
Adams and Reese LLP  
701 Poydras Street, Suite 4500  
New Orleans, LA 70139  
Mike Hollier

LAFAYETTE CITY/PARISH COUNCIL MEETING

AGENDA ITEM SUBMITTAL FORM

1) JUSTIFICATION FOR REQUEST: An ordinance of the Lafayette City-Parish Council creating an economic development district within the City-Parish of Lafayette to be named the "Lafayette I-10 Corridor District No. 2" (the "District"); defining the boundaries thereof from which certain local sales tax increments will be determined and used to finance multiple economic development projects within the District (each project hereinafter approved being referred to herein as a "Project" or "Projects"), to be financed with revenue bonds to be issued by the Industrial Development Board of the Parish of Lafayette, Louisiana, Inc. or any other entity designated by the Lafayette City-Parish Consolidated Government, payable from sales tax increments within the District, 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.

2) ACTION REQUESTED: Adoption of ordinance

3) COUNCIL DISTRICT(S) (if applicable): \_\_\_\_\_

If it involves a budget revision, please complete a budgetary revision form.

4) REQUESTED ACTION OF COUNCIL:

A) INTRODUCTION: June 20, 2006

B) FINAL ADOPTION: July 5, 2006

5) DOCUMENTATION INCLUDED WITH THIS REQUEST:

A) Ordinance

B) Memo

C) Written Description

D) Map

E) Official Notice (to be published in the Official Journal)

6) FISCAL IMPACT:

           Fiscal Impact (Explain)

  X   No Fiscal Impact

RECOMMENDED BY:

\_\_\_\_\_  
DIRECTOR

APPROVED FOR AGENDA:

*Dee S. Crowley*  
CHIEF ADMINISTRATIVE OFFICER

DISPOSITION OF ORDINANCE NO. O-129-2006

1. This ordinance was introduced: Final disposition by Council:
- |   |  |
|---|--|
| <u>June 20</u> , 2006   | <u>July 5</u> , 2006   |
| YEAS: Bourgeois, Williams, Broussard<br>Conque, Mouton, Stevenson, Menard | YEAS: Badeaux, Bourgeois, Williams,<br>Benjamin, Broussard, Conque, Mouton,<br>Stevenson, Menard |
| NAYS: None  | NAYS: None   |
| ABSENT: Badeaux, Benjamin   | ABSENT: None   |
| RECUSE/ABSTAIN: None  | RECUSE/ABSTAIN: None   |
| AMENDMENT:  |  |

2. Notice of Public Hearing: This ordinance was published by Title and Notice of Public Hearing was published in the Advertiser on June 23, 2006.

3. This ordinance was presented to the President for his approval on July 6, 2006 at 11:03 o'clock a.m.

Norma A. Dugas  
CLERK OF THE COUNCIL

4. Disposition by President:

I hereby:

- A. Approve this ordinance, the 6 day of July, 2006, at 12:30 o'clock P.m.
- B. Veto this ordinance, the \_\_\_\_\_ day of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_\_ .m., veto message is attached.
- C. Line item veto certain items this \_\_\_\_\_ day of \_\_\_\_\_, 2006 at \_\_\_\_\_ o'clock \_\_\_\_\_ .m., veto message is attached.

Norma A. Dugas  
PRESIDENT

5. Returned to Council office ~~with~~ without veto message on July 6, 2006, at 3:35 o'clock P.m.

6. Reconsideration by Council (if vetoed):

On \_\_\_\_\_, 2006, the Council did/refused to adopt this ordinance after the President's veto.

Norma A. Dugas  
CLERK OF THE COUNCIL

7. Full Publication:

Full publication of this ordinance was made in the Advertiser on July 10, 2006.

NOTE: If no approval nor veto of President appears, and ten days have elapsed since this ordinance was presented to him for action, same has been automatically approved.