

MINUTES
CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
4173 39th Street, Port Arthur, Texas
July 12, 2006

I. CALL TO ORDER

The Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation met in a Regular on Wednesday, July 12, 2006. The meeting was called to order at 5:33 p.m.

II. ROLL CALL, INVOCATION & PLEDGE

The following Board Members were present: Richard Wycoff, Keith Daws, Linda Spears, Eli Roberts, and Kerry Thomas.

The invocation was given by Linda Spears.

The Pledge of Allegiance followed the invocation.

III. MINUTES

1. June 28, 2006

A motion was made by Richard Wycoff and seconded by Keith Daws to approve the minutes for June 28, 2006 with the changes made by Keith Daws. The motion was unanimous.

IV. PETITIONS & COMMUNICATIONS

A. PRESENTATIONS

1. K Strategies Group, LLC

Katrina Keys presented the Port Arthur Business Development Program.

2. SALM Investment, Dr. Ally

The presentation was given by Dr. Ally regarding the purchase of 15 acres of land in the Spur 93 Business Park.

3. Entergy

The presentation was given by Don Pumphrey, Customer Service Manager, and Karen Boudier, Research Manager, of Entergy's Economic Development. The following items were discussed:

1. *The Entergy Economic Development was introduced.*
 - a. *Recruiting Karl Segura*
 - b. *Tradeshaw-Rick Hatcher*
 - c. *Community Development-Carolyn Motl*
 - d. *Research-Karen Boudier*

2. *Business Retention and Expansion
Economic Analysis-\$3,500*

Entergy explained the E-Synchronist program and expressed their interest of the Port Arthur Economic Development Corporation's participation. The Economic Impact Analysis program was also explained.

4. City of Port Arthur Demolition Dept., Lawrence Baker

Lawrence Baker, Director of Community Services, for the City of Port Arthur, explained the historical points of demolition. He also discussed the strategy for clearing out dilapidated structures.

5. City of Port Arthur Parks and Recreation, Dr. Thigpen

The presentation was given by Dr. Albert Thigpen.

6. Port Arthur Holdings, Craig Carney

Tabled.

B. COMMUNICATIONS

None.

**AFTER PRESENTATIONS THE BOARD RETIRED TO
EXECUTIVE SESSION**

V. ACTION ITEMS

- 1. To discuss and consider the approval of a contract between the City of Port Arthur, the Port Arthur 4A Economic Development Corporation and K Strategies Group, LLC.**
- 2. To discuss and consider the approval of an Incentive Agreement for the sale of land of (15) acres in the Business Park to SALM Investment.**
- 3. To discuss and consider the approval of a request from the City of Port Arthur Demolition Department for Port Arthur 4B Funding.**
- 4. To discuss and consider the approval of a request from the City of Port Arthur Parks and Recreation for Port Arthur 4B Funding.**
- 5. To discuss and consider the approval of a contract between the Port Arthur 4A Economic Development Corporation and Panelized Systems Technology, LLC.**
- 6. To discuss and consider the approval of a contract between the Port Arthur 4A Economic Development Corporation and Camellia Plaza, L.P.**
- 7. To discuss and consider the approval of the first \$100,000.00 incentive payment to Triangle Waste Properties, LLP.**

8. To discuss and consider the approval of an invoice from Alfred (Fred) Munoz Consulting in the amount of \$2,400.00 for file server and configuration.
9. To discuss and consider the approval of the CEO's evaluation.

*****ITEMS 1-9 WERE TABLED UNTIL AFTER EXECUTIVE SESSION. *****

VI. REPORTS

1. CEO's Report was given by Floyd Batiste.
2. Financial Report for the months of April and May were given by Rebecca Underhill.
3. The Board Financial Update was tabled.

VII. EXECUTIVE SESSION

The board retired to executive session at 6:37 p.m., and reconvened at 8:45 p.m.

After Executive Session, the Board acted on the following items:

1. A motion was made by Linda Spears and seconded by Kerry Thomas to approve a contract between the City of Port Arthur, the Port Arthur Section 4A Economic Development Corporation, and K Strategies Group, LLC. The vote was unanimous.
2. A motion was made by Linda Spears and seconded by Keith Daws to approve the contract amendment to the land purchase with KCS to put the monies in escrow until the current tenant vacates the property, subject to the approval of Germer Gertz, LLP. The vote was unanimous.
3. A motion was made by Richard Wycoff and seconded by Kerry Thomas to provide a land grant to Recycling Solutions, L.L.C. for the construction and operation of a tire by-product manufacturing plant. The EDC will provide (15) acres for a cost of 40% of the fair market price, subject to an Environmental impact review. In return Recycling Solutions, L.L.C will create 109 primary jobs in 1.5 years.

FOR: Richard Wycoff, Keith Daws, Eli Roberts, and Kerry Thomas

AGAINST: Linda Spears

The motion carried

4. FACT FINDING:

When schools look respectable and well cared for to people coming into the area from outside the area, then outside businesses will be more likely to locate in Port Arthur; therefore, demolishing dilapidated buildings around the schools will promote new or expanded business enterprises that create or retain primary jobs.

A motion was made by Keith Daws and seconded by Kerry Thomas to approve funding the list of demolition projects presented by Lawrence Baker, City of Port Arthur Demolition Dept., surrounding the schools plus the Golden Steer Building on Houston Ave., up to \$250,000.00. The vote was unanimous.

5. A motion was made by Richard Wycoff and seconded by Linda Spears to approve the amateur sports park plan presented by Dr. Thigpen up to \$250,000.00. The vote was unanimous.
6. A motion was made by Richard Wycoff and seconded by Linda Spears to approve Panelized Systems Technology, LLC's contract with the following changes: job performance in 12 months and 6% interest on the conditional loan.
7. A motion was made by Kerry Thomas and seconded by Linda Spears to approve the draft of Camellia Plaza, L.P. contract with the following changes:
 - a. One of the four promised businesses must be a nationally owned or franchised hotel;
 - b. Camellia will provide a deadline for completing the hotel;
 - c. Camellia cannot assign the contract to another entity without approval of the PAEDC Board.

FOR: Linda Spears, Eli Roberts, and Kerry Thomas

AGAINST: Keith Daws and Richard Wycoff

The motion carried.

8. A motion was made by Linda Spears and seconded by Richard Wycoff to approve the first \$100,000.00 incentive payment to Triangle Waste Properties, LLP. The vote was unanimous.
9. A motion was made by Kerry Thomas and seconded by Keith Daws to approve an invoice from Alfred (Fred) Munoz Consulting in the amount of \$2,400.00 for file server and configuration. The vote was unanimous.
10. A motion was made by Linda Spears and seconded by Kerry Thomas to approve the CEO's evaluation. The vote was unanimous.

VIII. FUTURE AGENDA ITEMS OR REQUESTED REPORTS

1. Bylaws; and
2. Stephanie Dugan's next visit to EDC.

IX. ADJOURNMENT OF MEETING

A motion was made to adjourn the meeting by Kerry Thomas and seconded by Richard Wycoff. It was adopted unanimously. The meeting was adjourned at 9:13 p.m.

APPROVED BY THE BOARD OF DIRECTORS ON THE 23rd DAY OF
August, 2006.


SECRETARY OF THE CORPORATION