

**MINUTES
CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION BOARD MEETING
4173 39th Street, Port Arthur, Texas
October 22, 2008**

I. CALL TO ORDER

The Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation met in a Regular Meeting on Wednesday, October 22, 2008. The meeting was called to order at 6:03 p.m.

II. ROLL CALL, INVOCATION & PLEDGE

The following Board Members were present:

Carolyn Guillory, Doris Green, Kaprina Frank, Richard Wycoff, Kelly Shanks, Kerry Thomas, Keith Daws, and Eli Roberts

The invocation was given by Keith Daws.

The Pledge of Allegiance followed the invocation.

III. MINUTES

October 8, 2008

A motion was made by Kelly Shanks and seconded by Richard Wycoff to approve the minutes for October 8, 2008. The vote was unanimous.

IV. PETITIONS & COMMUNICATIONS

A. PRESENTATIONS

Arceneaux & Gates – Hwy 73 Business Park

Arceneaux & Gates – Phase II Construction PA Business Park

Arceneaux & Gates – Phase II Construction Jade Avenue

Mr. Arceneaux became ill and was not able to attend the meeting to give his presentation.

Environmental Protection Agency – Mr. Roberto Bernier

Mr. Bernier gave a report as to the status and happenings at their collection and testing site within the PA Business Park. Mr. Bernier gave an explanation to board members of the operations that go on at the site. He stated that they are working with TCEQ and the Coast Guard to collect samples and possible hazardous materials, they then bring these collections in containers to the site at the business park for testing. These containers stay at the park an estimated 2 – 3 days. He also gave the Board an explanation of the procedures for spills and precautions for contamination of the Business Park grounds.

ENGlobal – Shelly Leedy, Lon Hubbard, Ron Bush

It was explained to the Board that ENGlobal has asked that the on-going of this contract be deferred until further notice.

B. COMMUNICATIONS

None

V. UNFINISHED BUSINESS

1. Discuss and consider possible action to approve amendments to Economic Incentive Agreement between City of Port Arthur Section 4A Economic Development Corporation and ENGlobal Systems, Inc.
2. Discuss and consider possible action to amend Lease with Option to Purchase between City of Port Arthur Section 4A Economic Development Corporation and ENGlobal Corporation.
3. Discuss and consider possible action to approve Lease Guaranty between City of Port Arthur Section 4A Economic Development Corporation and ENGlobal Corporation.
4. Consideration and possible action to authorize officers of the Board of Directors of the Corporation and Executive Director to execute any and all documents necessary for the issuance and sale of the City of Port Arthur Section 4A Economic Development Corporation Sales Tax Revenue Bonds, Series 2008 and related documents as to the Economic Incentive Agreement with ENGlobal Systems, Inc.

Items 1-4 of Unfinished Business were removed.

5. To discuss and consider the value of the land in the Highway 73 Business Park.
6. To discuss and consider requirements, restrictions and expectations for the land in Highway 73 Business Park.

The covenants and restrictions will be reviewed and drafted by the EDC Attorney and later presented to board for approval.

VI. CONSENT AGENDA ITEMS

1. To discuss and consider the approval of two separate invoices from Team Industries; payment is not to exceed Team Industries' remaining balance of \$546,330.00
The first invoice in the amount of \$291,510.00 for the purchase of the following:

- V3391 - 40 ft Entrance Conveyor
- V32265 - Discharge Conveyor
- V5991 - Plasma System 50 ft Hyperthermia

The second invoice in the amount of \$262,282.00 for the purchase of the following:

- (1) - Gen IV Positioner \$ 24,315.00
- (11)- Gen III Positioners 164,956.00
- (15)- Model 45 Grippers 60,675.00
- (8) - 3:1 Gear Reducers 2,936.00
- (7) - Thru Hole Purge Systems 4,060.00
- (12)- 110V 26" Circular Fan 4,340.00

2. To discuss and consider the approval of an invoice in the amount of \$288,308.50 from Excavators & Constructors, Ltd. for the Monthly Estimate No. 4 of the construction of JADE Ave. Extension Phase II.

A motion was made by Richard Wycoff and seconded by Kaprina Frank to approve items 1-2 under Consent Agenda Items. The vote was unanimous.

VII. NON-CONSENT AGENDA ITEMS

1. To Discuss and consider possible action to approve a request for Extension of Time Due to Weather or Supplies by Excavators & Constructors, Ltd. for the construction of JADE Ave. Extension Phase II Project.

A motion was made by Eli Roberts and seconded by Doris Green to approve the request for an Extension of Time by Excavators & Constructors. The vote was unanimous.

2. To Discuss and Consider amending Triangle Waste Properties, LC Economic Incentive Agreement milestones and requesting the City Council to grant a waiver to the Port Arthur Business Park Covenants and Restrictions.

Kerry Thomas removed himself from participation in discussion and voting in this matter due to Conflict of Interest. A motion was made by Eli Roberts and seconded by Richard Wycoff to approve amending the Incentive Agreement Milestones for Triangle Waste Properties, LC and requesting City Council to grant a waiver to the Port Arthur Business Park Covenants and Restrictions. The vote was unanimous.

3. To Discuss and Consider possible action approving the sale of three (3) acres of land in the Business Park to Clay Development for the construction of a 20,000 sq ft building for Tyco Flow Control.

A motion was made by Kerry Thomas and seconded by Kelly Shanks to approve the sale of three acres to Clay Development. The vote was unanimous.

4. To Discuss and Consider possible action to rescinding the Economic Incentive Agreement between the Port Arthur 4A Economic Development Corporation and Orbital Insulation.
A motion was made by Kelly Shanks and seconded by Eli Roberts to approve rescinding the Economic Incentive Agreement between the Port Arthur Economic Development Corporation and Orbital Insulation. The vote was unanimous.
5. To Discuss and Consider possible action to waiver the monthly payments of Abraham Manufacturing due to damages caused by Hurricane Ike.
A motion was made by Eli Roberts and seconded by Kerry Thomas not to approve the waiver of monthly payments by Abraham Manufacturing. The vote was unanimous.
6. To Discuss and Consider taking legal action against Southeast Texas Clearwater for non payment of monthly notes due to Port Arthur 4A Economic Development Corporation.
A motion was made by Kelly Shanks and seconded by Eli Roberts to proceed with taking legal action against Southeast Texas Clearwater. The vote was unanimous.
7. To Discuss and Consider taking legal action against DonShe Pottery for non-performance and non-payment due to Port Arthur 4A Economic Development Corporation.
A motion was made by Eli Roberts and seconded by Kerry Thomas to proceed with taking legal action against DonShe Pottery. The vote was unanimous.
8. To Discuss and Consider the renewal of the CEO contract.
A motion was made by Kelly Shanks and seconded by Kerry Thomas to approve the renewal of a two year contract with the CEO of the corporation. The vote was unanimous.

VIII. REPORTS

1. **Policies & Procedures and Bylaws Sub-Committee – Keith Daws**

Mr. Daws gave a report of the stand-point of the sub-committee and its members. He stated they have not yet held the first meeting due to recent hurricanes. The first meeting will be held Thursday evening, October 23, 2008 at 5:30 at the Port Arthur Public Library.

2. **Goals and Objectives for Fiscal Year 2008-2009 – Keith Daws**

Mr. Daws requested that the board come back to the next regular meeting with suggestions or plans for the next fiscal year.

3. CEO's Report

a) Business Spotlights Monthly Newspaper Article

The CEO reported the interest of the staff in highlighting Port Arthur Businesses in an article in the PA Newspaper. He is currently working with the PA News discussing the possibility of this. The board expressed their support in this.

b) Status of Purchase from Salvation Army

The CEO reported that the closing of this purchase is expected for Thursday of next week.

The CEO also added that the City Council has approved the administration of Disaster Relief SBA loans by the PAEDC from the City Revolving Loan Fund in the amount of \$100,000. City Council decided to change the maximum loan amount for each business from \$7,500 to \$10,000.

IX. CLOSED SESSION (EXECUTIVE SESSION)

The Board retired to executive session at 7:17pm, and reconvened at 9:10pm.

X. FUTURE AGENDA ITEMS OR REQUESTED REPORTS

None

XI. ADJOURNMENT OF MEETING

A motion was made to adjourn the meeting by Richard Wycoff and seconded by Kaprina Frank. It was adopted unanimously. The meeting was adjourned at 9:27 p.m.

APPROVED BY THE BOARD OF DIRECTORS ON THE 5th DAY OF November, 2008.


SECRETARY OF THE CORPORATION