

**MINUTES  
CITY OF PORT ARTHUR SECTION 4A  
ECONOMIC DEVELOPMENT CORPORATION  
REGULAR MEETING  
4173 39<sup>th</sup> Street, Port Arthur, Texas  
August 8, 2013**

**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 Thursday, August 8, 2013. The meeting was called to order at 6:19 p.m.

**II. ROLL CALL, INVOCATION & PLEDGE**

The following Board Members were present:

Aletha Kirkwood, Dwight Wagner, Richard Wycoff, Shad Wise, and Pat Holmes

The invocation was given by Shad Wise.

The Pledge of Allegiance followed the Invocation

**III. MINUTES**

July 8, 2013

A motion was made by Aletha Kirkwood and seconded by Dwight Wagner to approve the minutes of July 8, 2013. The vote was unanimous. Motion carried.

**IV. PETITIONS & COMMUNICATIONS**

**1. Presentations**

**a. Port Arthur Cowboys**

**Mr. Roy Mitchell came before the Board to request the EDC's sponsorship in purchasing uniforms and equipment for the football and cheerleading teams.**

**The Board will consider this request.**

**2. Communications**

None

**3. Speakers**

None

## V. UNFINISHED BUSINESS

1. To discuss for possible consideration acceptance of the guidelines for administering HB 1967, Pre-Employment Training for Port Arthur Residents.

**A motion was made by Shad Wise and seconded by Richard Wycoff to table this item. The vote was unanimous. Motion carried.**

## VI. CONSENT

None

## VII. NON-CONSENT AGENDA ITEMS

1. To discuss for possible consideration a Letter of Intent from BK PA, LTD.

**A motion was made by Richard Wycoff and seconded by Shad Wise to move forward with the application process for a possible infrastructure project. The vote was unanimous. Motion carried.**

2. To discuss for possible consideration a letter submitted by Attorney Guy Goodson regarding the Rotary Club Centennial Gala.

**A motion was made by Shad Wise and seconded by Richard Wycoff to table this item until the EDC/ Rotary committee provides a report to the Board as to their recommendation. The vote was unanimous. Motion carried.**

3. To discuss for possible consideration the modification of the Incentive Agreement with JZ Russell Industries to extending the contract date September 15, 2016 with the modified milestones presented.

**A motion was made by Richard Wycoff and seconded by Aletha Kirkwood to approve the modification to the incentive Agreement with JZ Russell. The vote was unanimous. Motion carried.**

4. To discuss for possible consideration entering into an Economic Incentive Agreement with ESP LLC with terms and conditions approved by the Attorney and Board of Directors.

**This item was taken into executive session.**

**Following Executive Session:**

**A motion was made by Richard Wycoff and seconded by Shad Wise not to modify the terms of the original request by ESP. The vote was unanimous. Motion carried.**

5. To discuss for possible consideration the termination of an Operation Downtown Agreement with Kilgore Construction.

**A motion was made by Richard Wycoff and seconded by Shad Wise to terminate the Agreement with Kilgore. The vote was as follows:**

**Ayes**

**Richard Wycoff**

**Noes**

**Aletha Kirkwood**

**Shad Wise**

**Dwight Wagner  
Pat Holmes**

**Motion failed.**

**This item will be brought back for consideration.**

6. To discuss for possible consideration approving payment for a Mold Remediation Protocol Agreement with Total Safety for 501 Procter Street in the amount of \$1,275.00.
7. To discuss for possible consideration approving payment for the additional monitoring for Asbestos/Lead/Mold Consulting Services with Total Safety for 501 Procter Street in the amount of \$13,900.00.

**A motion was made by Dwight Wagner and seconded by Aletha Kirkwood to approve items 6 and 7 in one motion. The vote was unanimous. Motion carried.**

8. To discuss for possible consideration having an appraisal done on 4173 39<sup>th</sup> Street for possible sale of building.  
**A motion was made by Shad Wise and seconded by Richard Wycoff to approve having an appraisal done for 4173 39<sup>th</sup> St. The vote was unanimous. Motion carried.**

9. To discuss for possible consideration entering into an agreement with a local realtor for the sale of 4173 39<sup>th</sup> Street.  
**A motion was made by Richard Wycoff and seconded by Shad Wise to approving negotiating with a local realtor for the listing of 4173 39<sup>th</sup> St. and come back with a proposed contract. The vote was unanimous. Motion carried.**

10. To discuss for possible consideration per HB 1967 going out for a Request for Proposals to provide Life Skills Training & Basic Financial Planning for Port Arthur Residents.  
**A motion was made by Shad Wise and seconded by Richard Wycoff to table this item until the Committee formed can provide guidelines as to the Life Skills component. The vote was unanimous. Motion carried.**

11. To discuss for possible consideration entering into a Fund Loan Agreement between Chase NMTC PAEDC Investment Fund, LLC and the City of Port Arthur Section 4A Economic Development Corporation.

12. To discuss for possible consideration entering into a Pledge Agreement between Chase NMTC PAEDC Investment Fund, LLC and the City of Port Arthur Section 4A Economic Development Corporation.

13. To discuss for possible consideration entering into a Indemnification Agreement between 501 Procter Street, Inc., the City of Port Arthur

Section 4A Economic Development Corporation, and JPMorgan Chase Bank, N.A.

14. To discuss for possible consideration entering into a Put/Call Option Agreement between Chase Community Equity, LLC., and the City of Port Arthur Section 4A Economic Development Corporation.
15. To discuss for possible consideration the signing of a Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion proposal.
16. To discuss for possible consideration a Payment and Completion Guaranty by the City of Port Arthur Section 4A Economic Development Corporation to and for the benefit of NDC New Markets Investment LXXX, LLC.
17. To discuss for possible consideration an Environmental Indemnity Agreement among 501 Procter Street, Inc., and the City of Port Arthur Section 4A Economic Development Corporation, in favor of NDC New Markets Investment LXXX, LLC.
18. To discuss for possible consideration a Master Lease Agreement to be entered into between the City of Port Arthur Section 4A Economic Development Corporation and 501 Procter Street, Inc for the building located at 501 Procter Street.
19. To discuss for possible consideration obtaining Commercial General Liability Insurance, Builder's Risk Insurance, and Windstorm Insurance for the building located at 501 Procter Street.
20. To discuss for possible consideration obtaining Title Insurance for the building located at 501 Procter Street.

**A motion was made by Dwight Wagner and seconded by Richard Wycoff to approve items 11 – 17 and items 19 and 20, all in one motion. The vote was unanimous. Motion carried.**

21. To discuss for possible consideration the proposed transfer of the building located at 501 Procter Street to 501 Procter Street, Inc. to facilitate the New Market Tax Credit Financing.
22. To discuss for possible consideration to authorize the PAEDC President, Vice President, Secretary and/or Executive Director to execute and deliver such additional instruments, contracts, affidavits, certificates and documents as may be necessary to proceed with the redevelopment, improvement, sale/transfer, lease and financing of facilities and improvements at 501 Procter Street (the "Project") including but not limited to such additional instruments, contracts, affidavits, certificates and documents associated with the allocation and use of New Market Tax Credits for the Project.

**A motion was made by Shad Wise and seconded by Richard Wycoff to approve items 18, 21, and 22 in one motion. The vote was unanimous. Motion carried.**

## **VIII. REPORTS**

1. Monthly Financial Update  
**Ms. Staley gave the Board an update as to the Corporation's current financials**
2. Sub-Committee Report – Pre-Employment  
**None**
3. Lonestar Development Purchase Agreement Extension  
**Mrs. Muller reported that Lonestar Development has expressed their wish to exercise their right under the Purchase Agreement with the EDC to extend their feasibility period by an additional 30 days with the deposit of an additional \$5,000 earnest money to the title company, which has already been deposited. Lonestar wishes to purchase land in the Spur 93 Business Park, and is currently awaiting commitment from their prospective tenant.**
4. Joint City Council/EDC Meeting  
**The Board was made aware of the upcoming Joint City Council/EDC meeting to be held on Tuesday August 13<sup>th</sup> at 5:30 in Council Chambers. A special appreciation gift will also be presented to Representative Joe Deshotel at this meeting for his work on the passing of Legislative Bills presented by the EDC.**
5. Houston Billboard  
**Mr. Batiste reported the Houston Billboard has been completed and is up and on display in Downtown Houston. A picture of the complete billboard was provided to the Board.**
6. Business Meets Industry Day  
**Mr. Batiste gave the Board information as to the planned 2013 Business Meets Industry Day in the Spur 93 Business Park to be held later this year.**
7. 501 Procter Update  
**Mr. Batiste reported there has been a break in at the building, police are monitoring the area. There has also been a water leak and he is working on having a new water meter installed. Pictures for the Picture Wall in the building have been sent off.**
8. Verizon Laptop Aircards  
**Ms. Staley gave the Board an option to have hot spots or air cards as the cost is the same. Members gave their preferences.**
9. Staff Training
  - a) Workforce Development  
**Ms. Reeves reported what she gained from the Workforce Development Training she attended and provided the Board with a handout.**
  - b) Basic Economic Development  
**Mrs. McClain-Lee provided in the packets for the Board, a handout of the Case Study her training course completed.**

**IX. CLOSED SESSION (EXECUTIVE SESSION)**

**In Order To Comply With The Requirements Of Chapter 551 (Open Meetings Law) Of The Texas Government Code, Prior To Going Into Closed Meeting The Presiding Officer To The City of Port Arthur Section 4A Economic Development Corporation Board Of Directors Should Make The Following Public Announcement:**

"A Closed Meeting or Executive Session Will Be Held Pursuant To the Following Sections of Chapter 551, Texas Government Code,

- 1. Section 551.071 Government Code** – To discuss with Attorney Guy Goodson pending and potential litigation and/ or legal advice.
- 2. Section 551.072 Government Code** – To deliberate the purchase, exchange, lease, or value of real property.
- 3. Section 551.074 Government Code** – To discuss matters of Personnel.
  - a. CEO Evaluation
- 4. Section 551.087 Government Code** – To discuss Incentives for Commercial and Industrial Business Prospects.

**\*The Items in Executive Session May Be Discussed and Acted On In Open Session.\***

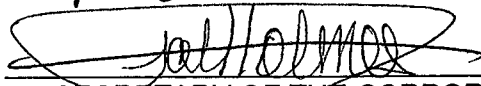
**X. FUTURE AGENDA ITEMS OR REQUESTED REPORTS**

1. Staff requested the Board move the September Meeting date as it falls on Labor Day Holiday.  
**The Board moved the September meeting to the 9<sup>th</sup> of September.**

**XI. ADJOURNMENT OF MEETING**

**A motion was made by Richard Wycoff and seconded by Shad Wise to adjourn the meeting. Meeting Adjourned.**

APPROVED BY THE BOARD OF DIRECTORS ON THE 9<sup>th</sup> DAY OF September, 2013.

  
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SECRETARY OF THE CORPORATION