

RESOLUTION NO. 08-124

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE
AN AGREEMENT WITH THE PORT ARTHUR ECONOMIC
DEVELOPMENT CORPORATION REGARDING THE
FINANCING OF STREETS.**

WHEREAS, on April 8, 2008, the City Council anticipates issuing \$9 million of General Obligation Bonds; and

WHEREAS, \$3 million of this General Obligation bonds issue is for the Port Arthur Economic Development Corporation to build out the streets of the Business Park located on West Port Arthur Road; and

WHEREAS, the Port Arthur Economic Development corporation will fund the debt service on this portion of the issue.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF PORT ARTHUR:**

Section 1. The facts and opinions in the preamble are true and correct.

Section 2. The Mayor is authorized to execute the agreement regarding the construction of improvements for the Port Arthur Economic Development corporation business park in substantially the same form as attached hereto as Exhibit A.

Section 3. That a copy of the caption of this Resolution be spread upon the minutes of the City Council.

READ, ADOPTED AND APPROVED this the 25th day of March, 2008 A.D. at a Regular Meeting of the City of Port Arthur, Texas by the following vote: Ayes:

Mayor: Prince

Councilmembers: Mayor Pro Tem Sinegal; Councilmembers
Chatman, Jones, Henderson, Floss, Williamson
& Lewis.

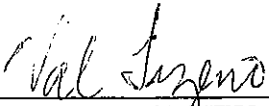
Noes: None

Deloris Prince
MAYOR

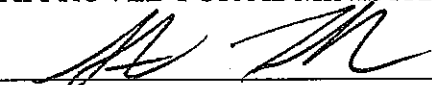
ATTEST:


ACTING CITY SECRETARY

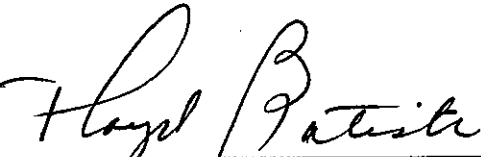
APPROVED AS TO FORM:


CITY ATTORNEY (on behalf of)

APPROVED FOR ADMINISTRATION:


CITY MANAGER


DIRECTOR OF FINANCE


FLOYD BATISTE, CEO, PAEDC

**INTERLOCAL AGREEMENT REGARDING THE ACQUISITION AND
DEVELOPMENT OF LAND FOR ECONOMIC DEVELOPMENT PURPOSES**

STATE OF TEXAS §
 §
COUNTY OF JEFFERSON §

This Interlocal Agreement Regarding the Acquisition and Development of Land for Economic Development Purposes (the "Agreement") is entered into pursuant to the Interlocal Cooperation Act, codified as Chapter 791, Texas Government Code as of the 25th day of March, 2008, between the CITY OF PORT ARTHUR, TEXAS, a municipal corporation situated in Jefferson County, Texas (the "City") and the CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION, a non-profit corporation (the "Corporation") created pursuant to the provisions of Section 4A of Article 5190.6, Texas Revised Civil Statutes (the "Act").

RECITALS

At a special election held within the City on November 7, 1995, the voters approved a proposition authorizing the levy and collection of a sales and use tax within the City at the rate of one-half of one percent (the "Sales Tax") as authorized by the Act for economic development purposes.

The Corporation was formed on March 4, 1996, pursuant to the Act for the purpose of promoting and developing industrial and manufacturing enterprises and to promote and encourage employment and public welfare within the City and the vicinity thereof. Pursuant to the provisions of the Act, the City collects the Sales Tax and pays it to the Corporation.

The City and the Corporation are each a local government within the meaning of the Interlocal Cooperation Act.

The City and the Corporation wish to proceed with the following joint economic development project, pursuant to the terms of this Agreement: the construction and improvement of the city streets, sidewalks and related drainage improvements, including improvements at the West Port Arthur Business Park (the "Project").

The City and the Corporation have determined that the most economical means of financing the costs of the Project is for the City to issue its General Obligation Bonds, Series 2008 (the "Bonds"), to finance, among other things, the initial costs of the Project, with the agreement of the Corporation to pay for the proportionate amount of the Bonds attributable to the Project which represents a proportion equal to three-seventeenths the amount of the Bonds.

AGREEMENT

For and in consideration of the respective promises and mutual covenants and benefits hereinafter set forth, the City and the Corporation agree as follows:

ARTICLE I

THE PROJECT

Section 1.01. Completion of the Project. The City agrees to contract with all individuals or entities necessary to complete the Project in accordance with all applicable laws.

Section 1.02. Issuance of the Bonds. The City agrees to proceed with the sale of the Bonds and to use the proceeds of the sale of the Bonds to pay for certain costs of the Project, and to pay the costs of issuing the Bonds.

Section 1.03. Use of Sales Tax Revenues. The Corporation agrees to use the Sales Tax, and any interest earned thereon, to make payments to the City in amounts sufficient to pay the principal of and interest on its allocable portion of the Bonds when due. The City will provide the Corporation with a schedule of the principal and interest payments due on the Bonds, and the Corporation agrees to pay to the City amounts sufficient to make its allocable portion of the principal and interest payment at least fifteen (15) days before such payment is due.

ARTICLE II

MISCELLANEOUS PROVISIONS

Section 2.01. Term. This Agreement shall be in force and effect from the date of execution hereof until the date on which the Bonds are paid in full.

Section 2.02. Amendments and Supplements. This Agreement may be amended, supplemented or extended by mutual written agreement of the parties hereto.

Section 2.03. Merger. This Agreement embodies the entire understanding between the parties hereto, and there are no prior effective representations, warranties, or agreements between the parties hereto.

Section 2.04. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application hereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

EXECUTED in multiple counterparts as of the date first written above.

CITY OF PORT ARTHUR, TEXAS

By: _____
Mayor

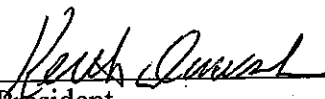
ATTEST:

By: _____
City Secretary

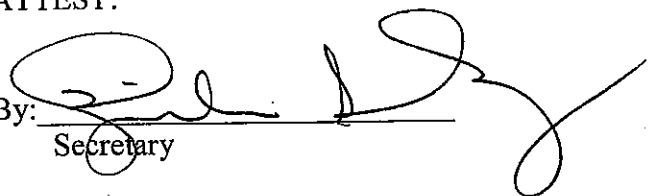
APPROVED FOR FORM:

By: _____
Mark Sokolow, City Attorney

CITY OF PORT ARTHUR ECONOMIC
DEVELOPMENT CORPORATION

By: 
President

ATTEST:

By: 
Secretary

APPROVED FOR FORM:

By: _____
Bond Attorney
Vinson & Elkins L.L.P.