

RESOLUTION NO. 08-173

**A RESOLUTION APPROVING A TRAINING GRANT
AGREEMENT BETWEEN LAMAR STATE COLLEGE -
PORT ARTHUR AND CITY OF PORT ARTHUR SECTION
4A ECONOMIC DEVELOPMENT CORPORATION**

WHEREAS, the City Council deems it in the public interest to authorize the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") to enter into a Training Grant Agreement with Lamar State College - Port Arthur ("Lamar"); and

WHEREAS, the City Council deems it a major consideration for business deciding where to locate new or expanded enterprise is the availability of workers with the proper knowledge and skill set; and

WHEREAS, Section 2(11)(B) of the Development Corporation Act of 1979 authorizes expenditures on job training by the PAEDC if the PAEDC Board finds the expenditure to be "required or suitable for the promotion of development and expansion of business enterprises and other enterprises"; and

WHEREAS, by correspondence dated February 26, 2008, Lamar identified a critical need for training in the programmatic areas of welding, instrumentation technology and process technology; and

WHEREAS, Lamar noted that the Southeast Texas Workforce Development Board and the Southeast Texas Industrial Workforce Alliance have identified that 300 pipe and plate welders be necessary for plant expansion and new construction projects by summer 2008 with demand for these skilled technicians to double by spring, 2009; and

WHEREAS, Lamar further noted the Texas Workforce Commission project that approximately 215 jobs for plant and system operators will be available annually in the Southeast Texas WDA from 2004 through 2014 due to retirement of incumbent workers, and this projection did not include the industrial expansions planned in Southeast Texas; and

WHEREAS, Lamar agrees to provide PAEDC records of classes offered for entry-level welding, the number of students completing each welding class and identify Port Arthur residents who have accessed the welding classes; and

WHEREAS, Lamar agrees to provide PAEDC records of construction costs for the second process technology and industrial instrumentation laboratory, the number of students accessing classes on process technology and industrial instrumentation courses of instruction and identify Port Arthur residents who have assessed such classes.

WHEREAS, at the recommendation of the City Attorney and concurred in by Guy Goodson, a clause has been inserted that the Agreement is subject to the receipt of adequate sales tax revenues,

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

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

Section 2. That the City of Port Arthur Section 4A Economic Development Corporation is herein authorized to enter into a Training Grant Agreement with Lamar State College – Port Arthur and the President and Secretary of the City of Port Arthur Section 4A Economic Development Corporation are authorized to sign the Agreement in substantially the same form as denoted in **Exhibit “A”**, with a clause that has been inserted that the Agreement is subject to the receipt of adequate sales tax revenues.

Section 3. That the effective date of the agreement shall be May 1, 2008.

Section 4. That a copy of this Resolution shall be spread upon the Minutes of the City Council.

READ, ADOPTED AND APPROVED on this 22nd day of April A.D., 2008,
at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES:

Mayor Prince; Mayor Pro Tem Sinegal
Councilmembers Chatman, Jones, Henderson
Flood, Beard, Williamson &
Jewell.

NOES: None.

Deloris Prince

DELORIS "BOBBIE" PRINCE, MAYOR

ATTEST:

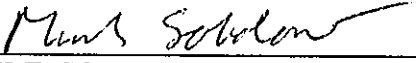
Terri Hanks (on behalf of)

TERRI HANKS, ACTING CITY SECRETARY

APPROVED:

Floyd Batiste
FLOYD BATISTE, EDC CEO

APPROVED AS TO FORM:



MARK T. SOKOLOW, CITY ATTORNEY

EXHIBIT "A"

to the Resolution

**TRAINING GRANT AGREEMENT
BETWEEN
CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION
AND
LAMAR STATE COLLEGE – PORT ARTHUR**

Executive Summary

The City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") Board has found that the training of construction workers for plant expansion is necessary to promote business enterprises moving to or expanding in Port Arthur, particularly new and expanded petrochemical industries. The PAEDC recognizes the importance of technically trained individuals in process technology and industrial instrumentation and welders for entry-level employment.

Lamar State College-Port Arthur ("Lamar") has a plan to expand its process technology and industrial instrumentation programs and to begin training welders for entry-level employment (the "Programs"). Lamar will thereby help meet the demand for construction workers due to industrial expansions in Southeast Texas as well as prepare students for employment after construction and plant expansions are complete. Lamar agrees to provide records sufficient to show successful completion of the Programs by students enrolling and shall further identify, as permitted by law or regulation, those Port Arthur residents who have accessed the Programs funded under this Agreement.

**TRAINING GRANT AGREEMENT
BETWEEN
CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION
AND
LAMAR STATE COLLEGE – PORT ARTHUR**

RECITALS	-1-
AGREEMENT DATES	-2-
PARTIES	-2-
CONDITIONS PRECEDENT	-2-
(A) PERFORMANCE BY PAEDC.....	-2-
(B) PERFORMANCE BY LAMAR	-3-
PAEDC'S CONDITIONAL OBLIGATIONS AND LIMITED LIABILITY.....	-3-
RECORDS / INSPECTION / PAEDC AUDIT	-4-
CHANGES AND AMENDMENTS.....	-4-
DEFAULT / TERMINATION	-4-
ORAL AND WRITTEN AGREEMENTS / PRIOR AGREEMENTS	-4-
VENUE.....	-4-
ADDRESS OF NOTICE AND COMMUNICATIONS.....	-5-
CAPTIONS	-5-
ATTORNEY APPROVALS.....	-5-
AGREEMENT EXECUTION.....	-6-

**TRAINING GRANT AGREEMENT
BETWEEN
CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION
AND
LAMAR STATE COLLEGE – PORT ARTHUR**

RECITALS

WHEREAS, a major consideration for business deciding where to locate new or expanded enterprises is the availability of workers with the proper knowledge and skill set.

WHEREAS, Section 2(11)(B) of the Development Corporation Act of 1979 authorizes expenditures on job training by the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") if the PAEDC Board finds the expenditure to be "required or suitable for the promotion of development and expansion of business enterprises and other enterprises....".

WHEREAS, by correspondence dated February 26, 2008, Lamar State College – Port Arthur ("Lamar") identified critical need for training in the programmatic areas of welding, instrumentation technology and process technology (the "Programs").

WHEREAS, Lamar noted that the Southeast Texas Work Development Board and the Southeast Texas Industrial Workforce Alliance have identified that 300 pipe and plate welders be necessary for plant expansion and new construction projects by summer of 2008 with demand for these skilled technicians to double by spring, 2009.

WHEREAS, Lamar further noted the Texas Workforce Commission projects that approximately 215 jobs for plant and system operators will be available annually in the Southeast Texas WDA from 2004 through 2014 due to retirement of incumbent workers, and this projection did not include the industrial expansions planned in Southeast Texas.

WHEREAS, by separate Training Grant Agreement dated November 1, 2007, Lamar is providing 90 to 100 hours of construction worker training for plant expansions through the National Center for Construction Education and Research ("NCCER") Introductory Craft Skills Program through assistance from the PAEDC.

WHEREAS, the PAEDC desires to set forth in this Agreement the terms and conditions for PAEDC to provide an additional training grant to Lamar to provide the Programs including but not limited to expanded process technology and industrial instrumentation laboratories and welding facilities for students to be trained to meet the employment demands in Southeast Texas.

NOW THEREFORE, the parties agree as follows:

AGREEMENT DATES

AGREEMENT START DATE

1. This Economic Development Grant Agreement ("Agreement") is entered into with an effective date May 1, 2008, by and between PAEDC, with the approval of the Port Arthur City Council and Lamar.

AGREEMENT END DATE

2. This Agreement expires thirty (30) days after both parties perform fully the agreements stated herein, subject to earlier termination or extension, voluntary or involuntary, as stated herein.

PARTIES

3. PAEDC located at 4173-39th Street, Port Arthur, Texas 77642, is a not for profit corporation. It is duly authorized to do business in the State of Texas under Section 4A, Article 5190.6 V.T.C.A. (the Development Corporation Act of 1979), its Board of Directors has approved this Agreement, and this Agreement has been duly authorized by Resolution of the City Council of the City of Port Arthur. As so authorized and as provided by the PAEDC bylaws, the President and Secretary of the PAEDC Board have the authority to execute this Agreement.

4. The Lamar State College – Port Arthur, P.O. Box 310, Port Arthur, Texas 77641-0310, is an open-accessed, comprehensive public 2-year college and a member of the Texas State University System, and its duly authorized representative for purposes of this Agreement is Dr. Janis Hutchins, Dean of Technical Programs.

CONDITIONS PRECEDENT

5. This Agreement has no legal consequences unless and until both the PAEDC Board and the City of Port Arthur City Council approve this Agreement in its final form.

PROMISED PERFORMANCE

6. The parties agree to perform as follows.

(a) PERFORMANCE BY PAEDC

A \$300,000 grant for the Programs including expanded facilities for instrumentation technology, process technology and welding training shall to be funded by the PAEDC as follows:

- | | |
|-------------------------------------|-----------|
| (1) On or before the August 1, 2008 | \$100,000 |
| (2) On or before the August 1, 2009 | \$100,000 |
| (3) On or before the August 1, 2010 | \$100,000 |

(b) PERFORMANCE BY LAMAR

- (1) Lamar shall expand and equip its laboratory for process technology and industrial instrumentation to provide additional facilities for training students and shall offer up to seven (7) welding classes for training welders for entry-level employment.
- (2) Lamar shall recruit students into the Programs and provide or recommend such other courses of study to students in the Programs including the NCCER or related workplace skill and technical skill programs to provide the students with skills sets necessary for employment in process technology, industrial instrumentation or welding.
- (3) Lamar shall provide funding for all additional costs for the Programs including faculty costs, promotion, advertising and administrative charges necessary to manage, coordinate and administer the Programs.
- (4) Lamar shall provide PAEDC with a record of classes offered for entry-level welding, the number of students completing each welding class, as far as it is allowed by law or regulations to do so, identify Port Arthur residents who have accessed the welding classes.
- (5) Lamar shall provide PAEDC with a record of construction costs for the second process technology and industrial instrumentation laboratory, the number of students accessing classes on process technology and industrial instrumentation courses of instruction and, as far as it is allowed by law or regulations to do so, identify Port Arthur residents who have accessed such classes.

PAEDC'S CONDITIONAL OBLIGATIONS AND LIMITED LIABILITY

7. Lamar acknowledges and agrees that the PAEDC funding obligations herein are contingent upon the actual receipt of adequate sales tax revenue funds to meet the PAEDC's liabilities under this Agreement. If adequate funds are not available to make payments under this Agreement, the PAEDC shall notify Lamar in writing within a reasonable time after such fact is reasonably determined by the PAEDC Board of Directors. The PAEDC, at its sole option, may then terminate this Agreement without further liability. In the event of such termination by the PAEDC, the PAEDC may, at its sole option, immediately cease all further funding, if any, required by this Agreement and the PAEDC shall not be liable to Lamar or to any third parties for failure to make payments to Lamar under the terms and conditions of this Agreement.

8. The PAEDC's sole liability/obligation shall be to Lamar and shall be limited to the funding for the Programs detailed in this Agreement. The PAEDC shall not be liable, in contract or otherwise, for any expense, expenditure or cost incurred by or on behalf of Lamar related to the Programs except as set forth in this Agreement.

RECORDS / INSPECTION / PAEDC AUDIT

9. All records pertinent to this Agreement shall be retained by Lamar.

10. Upon written request, Lamar shall provide PAEDC with all reports reasonably necessary for PAEDC compliance with the Development Corporation Act of 1979 (Article 5190.6 V.T.C.A.)

CHANGES AND AMENDMENTS

11. Any alterations, additions, or deletions to the terms of this Agreement shall be by amendment in writing and executed by all parties to this Agreement and approved by the PAEDC, the City Council and Lamar.

12. Any alterations, additions, or deletions to the terms of this Agreement which are required by changes in Federal, state or local law are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation.

DEFAULT / TERMINATION

13. In the event of default of any of the obligations of the Lamar detailed herein, the PAEDC may, at its sole and exclusive option, withhold and/or disallow further PAEDC grant payments or incentives to the Lamar.

14. In addition to the foregoing, the PAEDC and Lamar agree that this Agreement may be terminated at any time when both parties agree, in writing, to the terms and conditions of any such voluntary termination.

ORAL AND WRITTEN AGREEMENTS / PRIOR AGREEMENTS

15. All oral and written agreements between the parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

16. Exhibit "A", correspondence from Lamar dated February 20 and 26, 2008, is hereby made a part of this Agreement for all purposes and constitutes promised performances by Lamar, in accordance with this Agreement.

VENUE

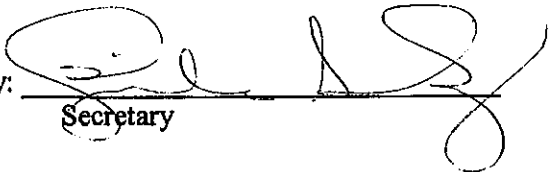
17. For purposes of litigation that may accrue under this Agreement, venue shall be Jefferson County, Texas, where substantially all the performance will occur.

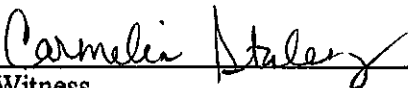
AGREEMENT EXECUTION

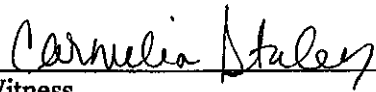
**CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION**

SIGNED AND AGREED TO on the 25 day of April, 2008.

By: 
President

By: 
Secretary


Witness


Witness

LAMAR STATE COLLEGE – PORT ARTHUR

SIGNED AND AGREED TO on the 5th day of May, 2008.

LAMAR STATE COLLEGE – PORT ARTHUR

By: 
Sam Monroe, President

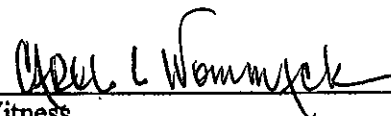

Witness

EXHIBIT "A"

to the Agreement



Lamar State College - Port Arthur

A Member of The Texas State University System

February 26, 2008

Mr. Floyd Batista
Port Arthur Economic Development Corporation
P. O. Box 3934
Port Arthur, Texas 77642

Dear Mr. Batista,

I am pleased to provide you with data in support of our request for financial support from the Port Arthur Economic Development Corporation.

The request from the College was for support of three programmatic areas: Welding; Instrumentation Technology; and Process Technology.

According to the Southeast Texas Workforce Development Board and the Southeast Texas Industrial Workforce Alliance, approximately 300 pipe and plate welders will be needed for the expansion and new construction projects by summer 2008. This figure is expected to more than double by spring 2009.

In 2004 the Texas Workforce Commission estimated that approximately 215 jobs for plant and system operators will be available annually in the Southeast Texas WDA from 2004-2014 due to the retirement of incumbent workers. This projection did not take the industrial expansion into consideration. A review of news articles and public announcements indicates that 700-800 permanent jobs will result from the expansions and new construction. Approximately 50% of the permanent workers in a plant are operators or instrumentation technicians. Therefore, 300-400 new operator and instrumentation positions may be available by 2011 in addition to the annual openings created by retirement and normal attrition.

The money we have requested would provide instructors in welding classes that could, under optimum circumstances, produce 175 entry-level welders. The instrumentation/process technology instructor and lab would allow us to enroll 30 additional students each fall semester.

Please contact me if you have additional questions.

Sincerely,

A handwritten signature in cursive script that reads "Gary Stretcher".

Gary D. Stretcher, Ed.D.
Vice President for Academic Affairs

GDS/tbs