

RESOLUTION NO. 08-352

**A RESOLUTION APPROVING AN ECONOMIC INCENTIVE AGREEMENT BETWEEN ENGLOBAL SYSTEMS, INC. AND THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION, LEASE WITH OPTION TO PURCHASE AND LEASE, LEASE GUARANTY AND APPROVAL OF THE ISSUANCE OF SALES TAX REVENUE BONDS NOT TO EXCEED \$6,000,000, AS WELL AS ENGAGING THE SERVICES PER THE AGREEMENT WITH VINSON & ELKINS AS BOND COUNSEL AND PER THE FINANCIAL ADVISORY AGREEMENT WITH THE FIRST SOUTHWEST COMPANY**

**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 an Economic Incentive Agreement with ENGlobal Systems, Inc. (the “Agreement”) in substantially the same form attached hereto as **Exhibit “A”**; and

**WHEREAS**, Germer Gertz, L.L.P. has indicated this as a Section 4A project; and

**WHEREAS**, ENGlobal Systems, Inc. (“ENGlobal”) has reviewed and approved the Agreement in substantially the same form as attached hereto as **Exhibit “A”**; and

**WHEREAS**, the Agreement would provide for the PAEDC to construct an office and fabrication/assembly building and related facilities as more fully described in the Agreement (the “Facility”); and

**WHEREAS**, PAEDC shall finance the cost of construction and related costs associated with the Facility by the issuance of its PAEDC Sales Tax Revenue Bonds in an amount not to exceed \$6,000,000 (the “Bonds”); and

**WHEREAS**, the PAEDC requests the authorization of the City Council to approve the Agreement together with the Lease with Option to Purchase and Lease Guaranty specified in the Agreement and to approve issuance of Sales Tax Revenue Bonds for a fifteen (15) year term and the engagement of Vinson & Elkins and First Southwest Company to assist with the issuance and sale of the Bonds; and

**WHEREAS**, the PAEDC further requests authorization from the City to proceed with the final negotiations of the Agreement, Lease with Option to Purchase, Lease Guaranty, Construction Contract for construction of the Facility as final documentation required by or to complete the Agreement as approved by counsel for the PAEDC and the City; and

**WHEREAS**, the PAEDC further requests that the City waive building permit fees, tap fees and other costs associated payable in regards to construction of the Facility except for actual costs of the City associated with such fees or permits.

**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 hereby authorized to enter into an Economic Incentive Agreement with ENGlobal Systems, Inc., 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 attached hereto with Exhibits "A", "B", "C", "D", "E", "F", "G", "H" and "I".

**Section 3.** That the City of Port Arthur Section 4A Economic Development Corporation is hereby authorized to proceed with the issuance of the City of Port Arthur Section 4A Economic Development Corporation Sales Tax Revenue Bonds in an amount not to exceed

**Section 8.** That the final version of the Agreement, with the exhibits, is to be submitted to the City Council for approval.

**Section 9.** That a copy of this Resolution shall be spread upon the Minutes of the City Council.

**READ, ADOPTED AND APPROVED** on this 20<sup>th</sup> day of August 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 Chalman,  
Councilmembers Segler, Flood, Beard, Wise and  
Henderson

NOES: None

Deloris Prince  
DELORIS "BOBBIE" PRINCE, MAYOR

ATTEST:

Terry Hanks  
TERRY HANKS, ACTING CITY SECRETARY

APPROVED:  
Floyd Batiste  
FLOYD BATISTE, EDC CEO

APPROVED AS TO FORM:

Mark Sokolow  
MARK T. SOKOLOW, CITY ATTORNEY