

RESOLUTION NO. 08-402

A RESOLUTION APPROVING FUNDING OF \$3,000 TO THE SOUTHEAST TEXAS ECONOMIC DEVELOPMENT FOUNDATION (SETEDF) FOR THE ASSISTANCE OF THE REGIONAL ECONOMIC DEVELOPMENT INITIATIVE (REDI) TO COORDINATE THE REGIONAL ECONOMIC DEVELOPMENT EFFORTS FOR THE REGIONS OF HARDIN, JEFFERSON AND ORANGE COUNTIES

WHEREAS, the City of Port Arthur Section 4A Economic Development Corporation deems it is the public interest to seek the assistance of the Regional Economic Development Initiative (REDI) to coordinate the regional economic development efforts for the region of Hardin, Jefferson and Orange Counties, as denoted in Exhibit "A"; and

WHEREAS, the Regional Economic Development Initiative (REDI) steering committee made up of local economic developers was formed by SETEDF to determine the services needed and develop the structure of how these services could be provided for Southeast Texas; and

WHEREAS, the overall effort of the Regional Economic Development Initiative is aimed at maximizing and retaining employment and increasing incomes; and

WHEREAS, the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC"), at its August 27, 2008 Regular Board Meeting, voted to fund REDI in the amount of

\$3,000, which will be utilized for a professional economic developer or consulting firm by the Regional Economic Development Initiative.

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

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 assist in funding the Regional Economic Development Initiative in the amount of \$3,000.00 for one year.

Section 3. That the contract with the Economic Development Contractor will be in writing, with a copy thereof to be filed with the City Secretary, and that costs will be documented.

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

READ, ADOPTED AND APPROVED ON THE 7th day of

October A.D. 2008, at a Regular Meeting of the City

Council of the City of Port Arthur, Texas by the following vote:

AYES: Mayor Prince; Mayor Pro Tem Chatman;
Councilmembers Segler, Albright, Flood,
Williamson and Henderson.
_____;

NOES: None.

Deloris Prince
DELORIS "BOBBIE" PRINCE, MAYOR

ATTEST:
Terrri Hanks
TERRI HANKS, ACTING CITY SECRETARY

APPROVED:
Floyd Batiste
FLOYD BATISTE, EDC CEO

APPROVED AS TO FORM:
Mark Sokolow
MARK T. SOKOLOW, CITY ATTORNEY

EXHIBIT "A"

Southeast Texas Economic Development Foundation Regional Economic Development

The region of Southeast Texas has recently embarked on a threshold of a huge surge of economic growth with announcements of over \$16 billion in industrial expansions and developments. Although the region has a long history of working together to attract and stimulate growth, there is a need to re-focus regional economic development efforts to ensure the long-term sustainability of this growth for our region and the State of Texas.

Background:

Southeast Texas Economic Development Foundation (SETEDF) is a non-profit development corporation that was formed in 1984 to assist small business in the region with long-term financing for real estate acquisitions, construction and equipment purchases. Its loan programs are marketed under the name *SBAAlliance Capital (SBAAlliance)*, which is a dba for SETEDF's certified development corporation that processes, closes and services these loans. It is licensed by the Small Business Administration (SBA) to offer the SBA 504 loan program in Southeast Texas. *SBAAlliance* has thirty-five approved loans with a total portfolio value of \$22 million dollars. Although the primary service area is Hardin, Jefferson and Orange Counties, *SBAAlliance* competes for statewide loans including Galveston, Jasper and Liberty County. *SBAAlliance* also administered hurricane disaster loans in Newton, Jasper and Tyler County under the Governor's Texas Emergency Relief Fund.

SETEDF is governed by a Board of Directors made up of local business and community leaders in Hardin, Jefferson and Orange Counties. As required by the SBA, there is no limit to the number of members of SETEDF. The members of SETEDF then elect nine (9) voting directors that represent government, banking, economic development and business with no one group in control. SETEDF has no physical assets and contracts with the Greater Beaumont Chamber of Commerce for administrative services. The President of the Beaumont Chamber of Commerce is the Executive Director of the SETEDF.

Southeast Texas has had a long history of stimulating growth with regional economic development efforts throughout Jefferson, Hardin and Orange County. Realizing a need to refocus regional economic development efforts, the SETEDF Board of Director's approved the concept of providing regional economic development services under the umbrella of SETEDF in their November 27, 2007 board meeting. To determine the services needed and develop the structure of how these services could be provided, a steering committee (Regional Economic Development Initiative – REDI) was formed made up of the following local economic developers in Jefferson, Hardin and Orange Counties:

- **Ann Galassi**, CEcD, Chair
Manager of Economic Development, Sabine River Authority (Orange)
- **Floyd Batiste**
CEO, Port Arthur Economic Development Corporation (Jefferson)
- **Shaun Davis**
Executive Director, South East Texas Regional Planning Commission (SETRPC)
- **Bobby Fillyaw**
Executive Director, Orange County Economic Development Corp (Orange)
- **Tracie Killian**

- Executive Director, Nederland Economic Development Corp. (Mid - Jefferson)
- **Regina Lindsey**
Executive Director, Silsbee Economic Development Corp. (Hardin)
- **Mary Ann Reid**
President, Greater Port Arthur Chamber of Commerce (Jefferson)
- **Jim Rich**
President, Beaumont Chamber of Commerce (SETEDF – Executive Director)
- **Dean Robinson**
Southeast Texas Economic Development District for EDA Board President (Hardin)
- **Terry Schwertner**
Board Chairman, Port Neches Economic Development Corp. (Mid - Jefferson)
- **Karl Segura**
Manager of Business Development, Entergy (Southeast Texas Region)

In determining regional economic development needs, valuable input was solicited from State Legislators, State Agencies, Partnership of Southeast Texas board members and other business and community leaders throughout the region. It was determined that SETEDF would be an appropriate entity that could oversee some of the essential regional economic development services to Southeast Texas. The concept of placing these services under an existing economic development entity, like SETEDF, offers a practical and economical solution that could work to benefit everyone's efforts. On March 18, 2008, SETEDF approved the following regional economic development structure.

Southeast Texas Economic Development Foundation Regional Economic Development

Overall Goal: To form a structure under the Southeast Texas Economic Development Foundation (SETEDF) to provide regional economic development services to ensure long term growth and development for the region of Southeast Texas and the State of Texas. The overall effort is aimed at maximizing and retaining employment and increasing incomes.

Targeted Region: Southeast Texas (Jefferson, Hardin and Orange Counties)

Immediate Needs Identified: Professional economic development individual or consulting firm to coordinate regional economic development efforts for Southeast Texas.

Approved Structure: Enter into a professional services contract with a professional economic developer or consulting firm (ED contractor) that would report to the Regional Economic Development Initiative (REDI) steering committee and would provide the following services:

- Facilitate continuous economic development planning involving public officials, private sector and private citizens in Jefferson, Hardin and Orange Counties;
- Analyze local economy for expansion opportunities and help define regional economic goals;
- Market the region for business development;
- Identify expansion opportunities with existing major businesses

Duration of Service Contract: Period of one year at no less than 1,000 hours of work.

Detailed Responsibilities: Priorities and directions for the ED Contractor will come directly from the REDI steering committee and would include, but would not necessarily be limited to:

- Develop a database with the appropriate government, industry, workforce, education, and other resources which can help maximize economic development efforts.
- Set meetings with key business and community leaders to create a seamless ED effort to coordinate responses and make project proposals, negotiate incentives, and appropriate recruitment functions along with local allies.
- Provide a written economic development briefing and outlook to be shared with stakeholders at a minimum of one per quarter.
- Support community marketing efforts and regional branding.
- Provide creative suggestions and methods to enhance the use of resources while consistently seeking alternative options for overcoming business and industries barriers to grow.
- Provide oversight and support for the development and maintenance of a regional economic development website with demographic and marketing information.
- Attend meetings with a steering committee who will provide the financial resources, direction, and evaluation for the professional services contract.

Reporting Requirements: The ED Contractor shall submit a monthly progress report of accomplishments and results to the REDI steering committee. Such a report should detail new industry contacts, assistance to existing industry, meetings and other major actions. The REDI steering committee will provide program progress reports at the SETEDF Board meetings.

Funding: The REDI steering committee would be responsible for insuring funds are available for the contract which will be tracked separately from the SETEDF 504 program. Although some of the funding has been secured, additional annual financial support may come from the following entities:

Entity / Organization
Economic Development Administration – federal grant for SETEDD facilitation
Entergy
Greater Beaumont Chamber of Commerce
Kountze EDC
Lumberton EDC
Nederland EDC
Orange County EDC
Port Arthur Chamber of Commerce
Port Arthur EDC
Port Neches EDC
Silsbee EDC
Sour Lake EDC

Current Status:

5/01/08 REDI received funds from Entergy, Beaumont Chamber of Commerce, Nederland EDC with commitments from Port Arthur Chamber of Commerce, Orange County EDC, Port Neches EDC and Silsbee EDC

5/16/08 REDI submitted a Request for Qualifications

6/10/08 REDI presentation to Kountze EDC

6/16/08 RFQ proposals due to REDI

6/26/08 REDI meeting

7/16/08 REDI presentation to Port Arthur EDC

7/22/08 REDI Candidate Interviews

8/04/08 REDI Candidate Interviews

8/15/08 REDI Candidate Interviews & meeting