

RESOLUTION NO. 11-259

**A RESOLUTION REQUESTING A THIRD AMENDMENT OF
THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC
DEVELOPMENT CORPORATION'S POLICIES AND
PROCEDURES FOR SITE IMPROVEMENTS AND RELATED
IMPROVEMENTS NECESSARY TO PROMOTE OR DEVELOP
NEW OR EXPANDING BUSINESSES FOR OPERATION
DOWNTOWN (A DOWNTOWN IMPROVEMENT PROGRAM)**

WHEREAS, on June 15, 2009 at its regular meeting, the Board of Directors of the City of Port Arthur Section 4A Economic Development Corporation (the "PAEDC") approved the Policies and Procedures for OPERATION DOWNTOWN, a Downtown Improvement Program of the PAEDC for site improvements and related improvements necessary to promote or develop new and expanded business enterprises (the "Downtown Redevelopment Policies and Procedures"); and

WHEREAS, on July 28, 2009, the City Council deemed it in the best interests of the citizens of Port Arthur to approve the Downtown Redevelopment Policies and Procedures as presented to City Council by the PAEDC; and

WHEREAS, on November 3, 2009 at its regular meeting, the City Council deemed it in the best interest of the citizens to approve an amendment presented to them by the PAEDC to the scope of projects that could be financed under the Downtown Redevelopment Policies and Procedures to provide that "Projects will be granted Twenty-Five Thousand Dollars (\$25,000) to Two Hundred Fifty Thousand Dollars (\$250,000) to be matched by private or other source funds." It was further provided that "For every Three Dollars (\$3) of investment by private source funds into an Operation Downtown project, PAEDC will invest One Dollar (\$1), not to exceed Two Hundred Fifty Thousand Dollars (\$250,000) of public dollar investment"; and

WHEREAS, on May 17, 2010 at its regular meeting, the Board of Directors of the PAEDC approved a second amendment to the Policies and Procedures for OPERATION DOWNTOWN, **removing the minimum private investment of \$100,000 and adding an exception, that the City of Port Arthur and the PAEDC Board of Directors may each make a one time request for a grant without matching funds to be used within the three year period of the program dependent on availability of funds. All approved projects must be completed within 18 months from the effective date of the grant.**

WHEREAS, on June 1, 2010, the City Council by Resolution No. 10-208 approved the second amendment to the Downtown Redevelopment Policies and Procedures as presented to City Council by the PAEDC; and

WHEREAS, on June 20, 2011 at a special meeting, the Board of Directors of the PAEDC approved a Third Amendment to the Policies and Procedures for OPERATION DOWNTOWN (i) to clarify the description of projects that may qualify for funding, (ii) to clarify eligible applications to provide that PAEDC may either provide a grant or a conditional loan for eligible projects, (iii) require that **the City and PAEDC may each make a request for a grant for a new or existing project without the requirement for matching funds during the 4th quarter of each year of the Operation Downtown project if funds are available and with applications from private property owners or tenants having priority for such funds** and (iv) require that any approved projects by public or private applicants must be completed within twelve (12) months from the effective date of a grant and/or conditional loan subject to the option of PAEDC to extend the completion period. Said amendments as set forth and as identified in **Exhibit "A"** attached hereto and made a part hereof for all purposes.

**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 Downtown Redevelopment Policies and Procedures with the amended grant parameters as outlined in the Downtown Redevelopment Policies and Procedures attached hereto as **Exhibit "A"** and made a part hereof for all purposes are approved by the City.

Section 3. That a copy of the caption of this resolution be spread upon the Minutes of the City Council.

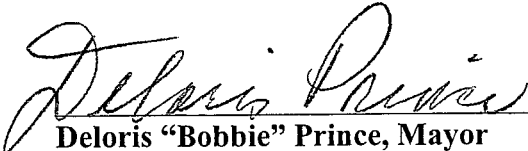
READ, ADOPTED AND APPROVED on this 23rd day of June A.D., 2011,
at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES:

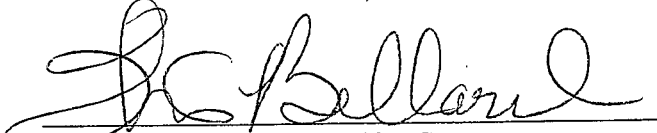
Mayor Prince; Mayor Pro Tem Albright

Councilmembers Scott, Segler, Williamson
and Thomas.

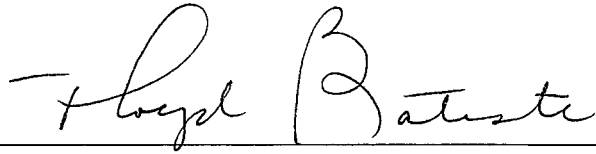
NOES: None.


Deloris "Bobbie" Prince, Mayor

ATTEST:


Sherri Bellard, Acting City Secretary

APPROVED:

A handwritten signature in cursive script, reading "Floyd Batiste".

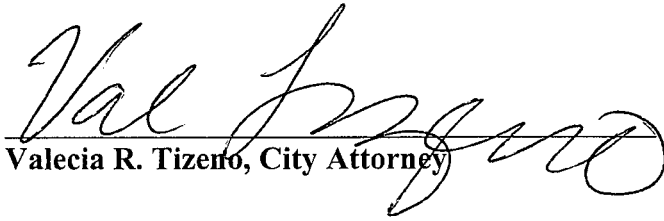
Floyd Batiste, PAEDC CEO

APPROVED AS TO FORM:

A handwritten signature in cursive script, reading "Guy N. Goodson".

Guy N. Goodson, PAEDC Attorney

APPROVED AS TO FORM:

A handwritten signature in cursive script, reading "Valecia R. Tizeno".

Valecia R. Tizeno, City Attorney

Exhibit "A"

OPERATION DOWNTOWN

A Downtown Improvement Program of the City of Port Arthur Economic Development Corporation for Site Improvements and Related Improvements necessary to promote or develop new or expanded business enterprises

A key element of a revitalization effort is the return of activity to a business corridor. These first few steps can be the spark to ignite interest and spur new business excitement. Operation Downtown provides a catalyst for these first steps. New site improvements and related improvements such as fresh paint, new awnings or complete façade rehabilitation all signal that something positive is happening. Operation Downtown is a grant or conditional loan program available for site improvements and related improvements to business buildings located in Port Arthur Downtown Revitalization target areas (see attached map for target area boundaries). Projects will be granted up to \$250,000 to be matched by private or other source funds. For every three dollars of investment by private source funds into an Operation Downtown project Port Arthur Economic Development Corporation (PAEDC) will invest one dollar, not to exceed \$250,000 of public dollar investment.

The purpose of Operation Downtown is to promote or develop new or expanded business enterprises in the designated downtown area as per the proposition approved by the voters in the May 2009 Special Election for site improvements and related improvements necessary to promote or develop new or expanded business enterprises which will also do the following:

- Reverse the deterioration of business structures in the targeted areas.
- Enhance efforts to market vacant space and attract new businesses.
- Stimulate new, private investment and economic growth.
- Promote consistency in design and create a fresh and aesthetically pleasing environment.
- Assist property owners with the appropriate exterior rehabilitation of their buildings and bring them up to code.
- Reduce the perception of crime.
- Invest in historic preservation and rehabilitation.

This package contains other documents detailing the application process and information to assist you in completing the application. The package includes:

- This cover letter
- Basic Procedures and list of eligible projects

- Blank Application
- Map

For more information, contact:
 Port Arthur Downtown Revitalization Program
 4173 39th Street
 Port Arthur, TX 77642
 409-963-0579

ELIGIBLE PROJECTS

Project Description

APAEDC may provide a grant or conditional loan forgivable over five (5) years may be provided to owners of public facilities or other eligible properties to undertake site improvements and related improvements which can include comprehensive exterior repair and façade upgrades or renovations, and infrastructure improvements including sidewalk repairs and landscaping in and adjacent to the public right-of-way. If a project is funded through a Conditional loan rather than a grant, the conditional loan will be forgiven over a threefive (5) year period at a rate of one-third per20% for each year that the property is occupied as, upon approval by the Board of Directors of PAEDC. TheGrants or conditional loan assistance isshall be provided to the property owners on a reimbursement basis as the renovation projects progresses or may be paid upon completion of renovations. All conditional loans shall be secured by private sector matching investment of three to one dollar from the property owner or a financial institution. The eConditional loans shallmay be secured, as required by PAEDC, by a mortgage on the property to be improved or other approved collateralreal estate.

Eligible Properties

Applications may be submitted for public facilities or business properties, either owner or tenant occupied within the Port Arthur Downtown Revitalization target areas. Owners of vacant buildings are encouraged to apply and improve property as a catalyst for future occupancy. Mixed use buildings with retail/commercial in the storefront are also encouraged.

Non Eligible Properties

Properties used primarily as residences are not eligible for Operation Downtown.

Eligible Applicants

BusinessPublic entities or private property and business owners of commercial propertieslocated in eligible areas may apply for assistance. Tenants mayust apply for assistance if they providehave an signedexecuted lease of terms of not less than five (5) years beyond the date of the requested completion of improvements joined in the application by and the property owner's approval. The City Council of the City of Port Arthur and the PAEDC Board of Directors may each make a requestalso apply for a

grant for a new or existing project without the requirement for matching funds during the 4th quarter of each year of the Operation Downtown project if funds are available and with applications from private property owners or tenants having priority for such funds assistance. Any approved project by public or private applicants must be completed within twelve (12) months from the effective date of a grant and/or conditional loan subject to the option of PAEDC to extend the completion period.

Exceptions

The Port Arthur City Council and the PAEDC Board of Directors are each allowed to submit grant applications as specified herein without matching funds~~a one-time grant with no match up to \$250,000 to be used within the three year period of the Program dependent on availability of funds.~~

Eligible Improvements

Operation Downtown will fund site improvement and related improvement projects. All improvements must be permanent or fixed. Eligible improvements may include, but are not limited to:

- complete facade and site rehabilitation;
- replacement of broken window panes, aluminum or wood windows and broken store front glass;
- scraping, priming, and painting of window frames, cornice and store front;
- painting of brick facade and sites where brick has been previously painted;
- repair or replace deteriorating signage and brackets when attached to the building;
- repair or replace missing or broken tile;
- repair or replace worn awnings or canopies;
- removal of metal slipcovers to expose original materials;
- certain types of security elements or security recommendations;
- rehabilitation of the upper facade and site and display areas or side walls of a building may also be eligible if street level improvements are approved;
- roof repair when incidental to overall facade and site improvements;
- Restore old historical facades;
- Street scape including removal and/or relocation of utilities, landscaping, sidewalk improvements; and
- Other site improvements as authorized by the proposition approved by the voters in the May 2009 Special Election

Other minor repairs when incidental to overall facade improvements such as:

- ✓ exterior lighting;
- ✓ certain types of security elements or security recommendations;
- ✓ roof repair;
- ✓ repair of sidewalk, ADA accessibility;
- ✓ detached signage;
- ✓ new construction;

- ✓ parking lots;
- ✓ landscaping;
- ✓ other improvements as approved by the EDC

In addition, professional, architectural, and City permit fees may be included in the total improvement costs.

Ineligible Improvements

The following improvements are not eligible for funding:

- burglar bars; and
- fencing.

BASIC PROCEDURE

Step 1 - Applicant Eligibility

- BusinessPublic entities or property owners are eligible to apply for Operation Downtown funds if the business is 1 - located within a Port Arthur Downtown Revitalization target area; and 2 - utilized primarily for business purpose (this does NOT include residences or apartments) or for public facilities.
- For information for Port Arthur Downtown Revitalization target area boundaries see map included herein or contact the Operation Downtown Coordinator or Port Arthur Downtown Revitalization Coordinator or the EDC CEO.
- If needed, a meeting at the site with the applicant, their contractor and Port Arthur Downtown Revitalization staff can be arranged to discuss the application process, area design guidelines and/or to develop a preliminary design concept.

Step 2 – Complete The Application

- The application (enclosed herein) is to be completed by the applicant (business owner, property owner or tenant). A completed application must contain information for all three parts: applicant information, property information and project information. Incomplete applications may result in delays in processing.
- Design assistance or preliminary project discussion meetings may be arranged if the applicant is uncertain what improvements are needed or would like suggestion. Inquires may be made to the Operation Downtown Coordinator at 409-963-0579.
- A completed application should be submitted to:
 - Port Arthur Downtown Revitalization Program
 - Port Arthur Economic Development Corporation
 - ATTN: Floyd Batiste, CEO
 - 4173 39th Street, Port Arthur, TX 77642
- Once an application is received, the Operation Downtown Coordinator will confirm eligibility of the site and the proposed scope of work, notify the applicant that the application has been received and is under review, and arrange a Project Review meeting.

- Projects that are eligible for funding will be considered on a first come, first served basis. There is no deadline; applications are accepted year round. However, projects may be limited due to budget constraints and funding availability. Any approved project by public or private applicants must be completed within twelve (12) months from the effective date of a grant and/or conditional loan subject to the option of PAEDC to extend the completion period. ~~All approved projects must be completed within 18 months of contract date.~~

Step 3 - Project Review & Contract Execution

- A Project Review meeting is required to be conducted prior to contract execution and construction beginning.
- A Design Review Team (Sub committee from PAEDC Board) will conduct the Project Review meeting with the applicant to review the application. A site visit may also be helpful but is not required.
- The Design Review Team will discuss the merits of the project and form a **recommendation** to either fund the project, or require the applicant to make changes and re-submit.
- The Design Review Team recommendation is presented to the PAEDC Board of Directors.
- If the recommendation is accepted by the EDC Board of Directors, the Design Review Team recommendation will be presented to the applicant to accept or withdraw.
- If approved, a Grant or Conditional Loan Agreement (~~contract Agreement~~) will be prepared by the EDC and affiliated attorneys or by the City Attorney and then forwarded to the EDC Board of Directors and to the City Council for approval
- The applicant and the EDC will sign the Grant Agreement. A fully executed Grant Agreement will be returned to the applicant. ~~An Affirmative Covenant of Maintenance document is also signed and filed with the County Clerk's Office.~~ **Start of the construction prior to the date of contract signing will void the grant.**

Step 4 – Construction

- A Pre-Construction Meeting will be held to go over construction scope of work, change orders, as well as other procedures. This meeting will usually be held on site, prior to construction but after the contract is signed. It is helpful if the applicants as well as contractors are present.
- If the improvements require a building permit, or approval from the Texas Historic Design and Review Commission, the applicant must comply. The City of Port Arthur Planning staff may be able to assist in the process on the applicant's behalf.
- A Sub committee from Board or City staff may monitor the progress and make periodic inspections during the project.

Step 5 – Reimbursement

- Funds will be provided on a reimbursement basis or upon final completion of a projectONLY.
- Reimbursement will be processed at 90% rate with 10% retained until completion of the work.
- Applicant will contact the PAEDC or City staff to conduct a final inspection. If all parties are satisfied with the work, the PAEDC and applicant will sign off on completion of the improvement.
- The applicant will complete the Project Completion form and submit it along with copies of invoices, canceled checks, asking for final reimbursement of applicable costs.
- When **all** work and documentation is received, the PAEDC staff will request payment. A final check will be sent to the applicant.

Downtown Revitalization Target Area Map



The boundaries of the Downtown Revitalization Target area are Lakeshore Drive to the south, Houston Avenue to the west, 9th Street to the north and Lake Charles Avenue to the East. Properties on both sides of the right-of-way of the boundary roads will be considered for Operation Downtown funding.

OPERATION DOWNTOWN
Site Improvement Grant Program
Application

APPLICANT INFORMATION

Is the applicant a: Corporation Partnership Proprietorship Individual
Name of Applicant: d/b/a _____

Mailing Address:

Contact Name: _____ Title: _____
Telephone: Work Home _____ Email: _____
Type of Business: _____

PROPERTY INFORMATION

The Port Arthur Downtown Revitalization Target Area: _____
Street address of property to be improved: _____
Legal Description: Lot Block Tax Account No _____
Does the applicant own or lease the property. _____
If leasing, please include copy of lease agreement and letter of approval from owner.
Is the property currently: occupied _____ vacant _____ if vacant, when will property be
occupied (date) _____
What is the current and proposed use of the property?

How many **full time** employees, if any, does the business currently employ? ____
Do you anticipate hiring additional employees after the proposed improvements are
complete? Yes _____ No _____
If so, how many more?

PROJECT INFORMATION

Description of Site Improvements and related improvements including improvements to
facade:

Estimated total cost of project: \$ _____ (Attach Project Budget form)
Grant funds are available up to **\$250,000** per eligible property.
When does the project need to begin? _____ Estimated time to complete
(Date)

job? _____
(# of days)

NOTE: Work must not start prior to contract execution.

Attach:

1. Recent photos of the property **(required)**
2. Budget and supporting estimates **(required)**
3. Copy of lease and/or letter from property owner granting approval or copy of warranty deed (if applicable)
4. Proof of funds for 75% of the total cost of the project **(required)**
5. Drawings or renderings that convey concept (if available)
6. Paint chips, color board or other samples (if available)

I certify that work has not started nor have I entered into any contract with any contractor for work to be covered under this grant application. I also understand that I will have to sign an agreement with the City of Port Arthur Economic Development Corporation to be approved by the City of Port Arthur regarding this grant award; a maintenance covenant will be filed to insure that the improvements will be maintained.

Applicant signature _____ *Date* _____

Applicant printed name _____