

RESOLUTION NO. 12-265

**A RESOLUTION APPROVING CLOSING THE ECONOMIC
INCENTIVE CONTRACT & LOAN AGREEMENT
BETWEEN DESSELLE-MAGGARD CORPORATION AND
THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC
DEVELOPMENT CORPORATION**

WHEREAS, the City Council of the City of Port Arthur approved authorizing an Economic Incentive Contract & Loan Agreement (the "Agreement") between Dessellemaggard Corporation ("DMC") and the City of Port Arthur Section 4A Economic Development Corporation (the "PAEDC") on February 14, 2007 per Resolution 07-070; and

WHEREAS, on March 11, 2008, the City Council approved Resolution No. 08-078 authorizing the First Amendment to the Agreement between DMC and PAEDC; and

WHEREAS, the obligations of DMC included distributing \$5,670,000 in payroll and establishing sixty-five (65) full-time permanent employees over a five (5) year period; and

WHEREAS, the requirements of the agreement have been met and over \$5,670,000 in payroll has been distributed and over sixty-five (65) permanent employees have been hired; and

WHEREAS, Exhibit "A" shows that DMC exceeded the requirements of the agreement; and

WHEREAS, on May 7, 2012, the Board of Directors of the PAEDC voted to deem this contract complete, thereby closing the Agreement with DMC.

**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 PAEDC is herein authorized to close the Agreement between DMC and PAEDC.

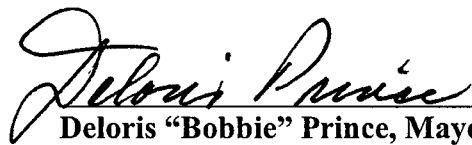
Section 3. That a copy of this Resolution shall be spread upon the Minutes of the City Council.

READ, ADOPTED AND APPROVED on this 29th day of May A.D., 2012,
at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES: ✓

Mayor Prince; Mayor Pro Tem Lewis;
Councilmembers Scott, Segler, Delbright, Abucit,
Williamson, and Thomas.

NOES: None.


Deloris "Bobbie" Prince, Mayor


ATTEST:


Sherri Bellard, City Secretary

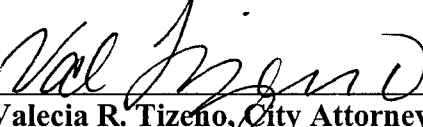
APPROVED:


Floyd Batiste, PAEDC CEO

APPROVED AS TO FORM:


Guy N. Goodson, PAEDC Attorney

APPROVED AS TO FORM:



Valecia R. Tizeno, City Attorney

Exhibit “A”

DMC CLOSE-OUT REPORT

DMC contract states that they must pay \$5,670,000 in payroll over a 5 year period. Establish 65 full-time permanent employees over a 5 year period. They will receive \$1 credit for each \$7 in payroll paid to PA residents; for each year DMC coop with PAISD &/or Lamar for training program, DMC will earn \$20,000 in credit. Total aggregate of credits cannot exceed \$810,000; **they will use their best efforts to hire PA residents.**

<u>YEAR</u>	<u>TOTAL PAYROLL</u>	<u>EMPLOYEES</u>	<u>HIRES</u>	<u>PA WAGES</u>	<u>PA CREDIT</u>
2008	\$383,750.72	27 (1 PA)	27	\$2,990.63	\$427.23
2009	\$1,252,928.01	31 (2 PA)	15	\$48,772.74	\$6,967.53
2010	\$1,633,582.97	37(3 PA)	19	\$75,208.34	\$10,744.04
2011	\$1,935,811.49	54 (5 PA)	33	\$116,123.11	\$16,589.01
2012 (as of 3/31/12)	\$831,693.87	46 (7 PA)	2	\$64,498.87	\$9,214.12
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TOTAL	\$6,037,767.06		96	\$307,593.69	\$43,941.93
	(distribute \$5,670,000)				