

RESOLUTION NO. 12-343

**A RESOLUTION APPROVING CLOSING THE  
ECONOMIC INCENTIVE CONTRACT & LOAN  
AGREEMENT BETWEEN ORBITAL INSULATION CORP  
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 between Orbital Insulation Corp. ("Orbital") and the City of Port Arthur Section 4A Economic Development Corporation (the "PAEDC") on June 2, 2009 per Resolution 09-234 in the amount of \$150,000; and

**WHEREAS**, the obligations of Orbital included \$288,112.00 in payroll from 7/1/09-12/31/09, and thereafter sustain an annualized payroll of \$576,225 through June 30, 2012, and promises that at least fifty percent (50%) of that payroll would be paid to its employees who were Port Arthur residents. Moreover, the Agreement states "once Orbital has earned credits equal to \$150,000, this Agreement and its Terms shall terminate"; and

**WHEREAS**, Orbital has distributed \$11,363,424.00 in payroll over the term of the Agreement and has earned credits exceeding \$150,000 as denoted in **Exhibit "A"**; and

**WHEREAS**, on July 2, 2012, the Board of Directors of the PAEDC voted to deem this agreement complete, thereby closing the Economic Incentive Contract & Loan Agreement with Orbital.

**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 Economic Incentive Contract & Loan Agreement between Orbital 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 31<sup>st</sup> day of July A.D., 2012,  
at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

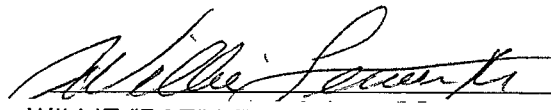
AYES:

Mayor Pro Lem Lewis

Councilmembers Costt, Segler, Albright  
alsucel, Freeman and Thomas

NOES: None

ATTEST:

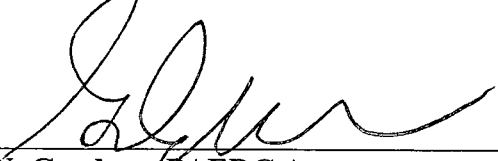
  
WILLIE "BAE" LEWIS, JR. MAYOR PRO TEM

  
Sherri Bellard, City Secretary

APPROVED:

  
Floyd Batiste, PAEDC CEO

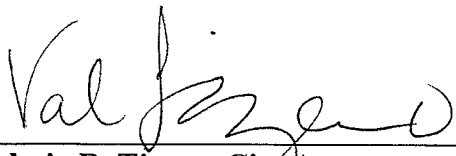
APPROVED AS TO FORM:



---

**Guy N. Goodson, PAEDC Attorney**

APPROVED AS TO FORM:



---

**Valecia R. Tizeno, City Attorney**

# **Exhibit “A”**

## ORBITAL CLOSE-OUT REPORT

Orbital's contract states that they promise to reach a payroll from 7/1/09-12/31/09 of \$288,112 & thereafter **sustain an annualized payroll thru 6/30/2012 of \$576,225** and that at least 50% of its employees will be PA residents. They will receive \$1 in credit for each \$6 in payroll for PA residents. Total credits cannot exceed \$150,000.

<u>YEAR</u>	<u>TOTAL PAYROLL</u>	<u>EMPLOYEES</u>	<u>PA WAGES</u>	<u>PA CREDIT</u>
2009	\$ 811,663.25	93 (85 PA-- 91%)	\$ 714,722.25	\$119,120.36
2010	\$4,440,406.40	330 (171 PA-- 51%)	\$2,404,597.74	\$400,766.29
2011	\$4,071,813.73	316 (106 PA--33%)	\$1,392,073.31	\$232,012.22
2012 <sub>(as of 6/25/12)</sub>	\$2,039,541.44	216 (75 PA--34%)	\$ 748,148.36	\$124,691.39
	-----		-----	-----
<b>TOTAL</b>	<b>\$11,363,424.82</b>		<b>\$5,259,541.66</b>	<b>\$876,590.26</b>

(NOT TO EXCEED

\$150,000)