

RESOLUTION NO. 12-451

**A RESOLUTION APPROVING AN AMENDMENT TO THE  
PERFORMANCE MILESTONES OF THE ECONOMIC  
DEVELOPMENT CONDITIONAL GRANT AGREEMENT  
BETWEEN THE CITY OF PORT ARTHUR SECTION 4A  
ECONOMIC DEVELOPMENT CORPORATION AND PA69 L.P.**

**WHEREAS**, per resolution 12-274 on May 29<sup>th</sup> 2012, the City Council of the City of Port Arthur approved an Economic Development Incentive Agreement with PA69 L.P. (the "Agreement") in the amount of \$235,493 for construction work on the road and developer agreed to build a Marriott Hotel adjacent to the Road; and

**WHEREAS**, the initial design development and a contract for construction drawings to meet the City of Port Arthur specification has been approved by the City of Port Arthur Director of Public Works; and

**WHEREAS**, Marriott Corporation is in the design phase of a new Marriott Hotel, with an anticipated design completion date of October 31, 2012 and a construction start on the hotel in late 2012 or early 2013 as denoted in **Exhibit "A"**; and

**WHEREAS**, on September 6, 2012, at its regular Board meeting, the Board of Directors of the PAEDC considered and approved an amendment to the Performance Milestones of the Agreement; and

**WHEREAS**, the adjustment to the Performance Milestones between PAEDC and PA69, L.P. is amended as to the dates for the completion of the foundation and opening of the Hotel as shown in **Exhibit "B"**.

**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 hereby authorized to amend the Performance Milestones between PAEDC and PA69, L.P. as shown in **Exhibit "B"**.

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

**READ, ADOPTED AND APPROVED** on this 18<sup>th</sup> day of Sept. A.D., 2012,  
at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES:

Mayor

Councilmembers

Prince; Mayor Assem Lewis;  
Legler, Albright, Doucet,  
Freeman and Thomas.

NOES:

None

Deloris Prince  
Deloris "Bobbie" Prince, Mayor

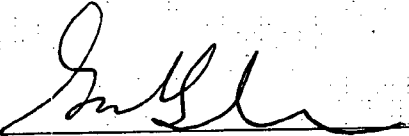
ATTEST:

Sherri Bellard  
Sherri Bellard, City Secretary

APPROVED:

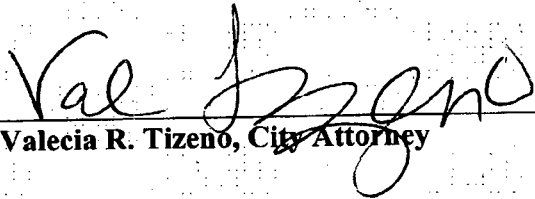
Floyd Batiste  
Floyd Batiste, PAEDC CEO

APPROVED AS TO FORM:



**Guy N. Goodson, PAEDC Attorney**

APPROVED AS TO FORM:



**Valecia R. Tizen, City Attorney**

# **Exhibit “A”**

- ii. Incentive Recipient provides a copy of an executed construction contract for the Marriott Hotel;
- iii. Incentive Recipient provides a copy of permits for the construction of the Marriott Hotel;
- iv. The designs necessary to construct the Marriott Hotel are filed and approved by the City; and
- v. The foundation slab for the Marriott Hotel is poured.

(4) PAEDC shall reimburse Incentive Recipient the remaining fifty-percent (50%) of the conditional grant, up to \$235,493 once the Marriott Hotel is constructed and open for business.

These are PAEDC's only obligations to Incentive Recipient.

**(b) PERFORMANCE BY INCENTIVE RECIPIENT**

- (1) Incentive Recipient shall construct or have constructed the Road outlined in **Exhibit "A"**, subject to the following time constraints:
  - a. Once under construction, the Road must be completed within three (3) months and dedicated to the City within six (6) months;
  - b. Construction work on the Road may commence at any time, but PAEDC will **not** pay for construction costs unless and until Incentive Recipient presents its agreement with the developer of the Marriott Hotel wherein Incentive Recipient agrees to build the Road and the developer agrees to build the Marriott Hotel adjacent to the Road.
- (2) Incentive Recipient guarantees that the Marriott Hotel will be built fronting the Road, by September 30, 2013, or Incentive Recipient will refund PAEDC for any monies released for the Road construction costs.
- (3) Incentive Recipient shall use architect(s), engineer(s), and general contractor(s) from the nine County Southeast Texas Region;
- (4) Incentive Recipient will use its best efforts to ensure that City residents are hired for the Road construction project to the maximum extent feasible, and shall track and report actual performance, as a percent of contractors hired; and
- (5) On written demand by PAEDC and in response to Incentive Recipient's failure to achieve a performance milestone, Incentive Recipient shall provide PAEDC within ten (10) business days following receipt of such written demand with assurances that it has both the intention and the capabilities to perform fully its contractual obligations.

**INCENTIVE RECIPIENT'S PERFORMANCE MILESTONE SCHEDULE**

7. [REDACTED]

8. The performance milestones of Incentive Recipient are contained in the following schedule.

### PERFORMANCE MILESTONE SCHEDULE

	<u>Deadline</u>	<u>Milestone</u>
(a)	July 30, 2012	Review new street construction plans and projected costs and schedule with PAEDC staff
(b)	August 31, 2012	Issue a status report to PAEDC Chief Executive Officer ("CEO") for the period of the contract to July 30, 2012
(c)	February 28, 2013	Issue a status report to PAEDC CEO for the period of June 1, 2012 to December 31, 2012
(d)	March 31, 2013	Foundation for Marriott Hotel completed
(e)	April 30, 2013	Issue a status report to PAEDC CEO for the period of January 1, 2013 to March 30, 2013
(f)	July 31, 2013	Issue a status report to PAEDC CEO for the period of April 1, 2013 to June 30, 2013
(g)	September 30, 2013	Marriott Hotel open for business
(h)	October 31, 2013	Issue a status report to PAEDC CEO for the period of July 1, 2013 to September 30, 2013
(i)	February 28, 2014	Issue a status report to PAEDC CEO for the period of October 1, 2013 to December 31, 2013
(j)	July 31, 2014	Issue a status report to PAEDC CEO for the period of January 1, 2014 to June 30, 2014
(k)	December 30, 2014	Issue a status report to PAEDC CEO for the period of July 1, 2014 to December 31, 2014
(l)	February 28, 2015	Close out report to PAEDC Board at its March meeting to compare actual economic development results against expectation as presented to the Board on [REDACTED]

<sup>1</sup> Examples of reasonable assurances are copies of pending contracts and commitment letters.

# PA69, L.P.

August 27, 2012

Mr. Floyd Batiste  
Chief Executive Officer  
Port Arthur Economic Development Corporation  
P.O. Box 3934  
Port Arthur, Texas 77642

RE: Economic Development Conditional Grant Agreement with PA 69, LP  
Status Report No. 01

Dear Mr. Batiste and PAEDC Board of Directors:

Formal Update:

- Initial design development and a contract for construction drawings to meet the City of Port Arthur specification has been awarded to Arceneaux & Gates Consulting Engineers, Inc. - Port Arthur, Texas.
- Initial design development has produced the new roadway layout (attached).
- City of Port Arthur Director of Public Works (Ross Blacketter) has approved the proposed roadway layout.
- The property closing is scheduled for September 28, 2012.
- Marriot in the design phase for the new Marriott Hotel. Anticipated design completion is October 31, 2012.
- Construction start on the Hotel is anticipated as late 2012 or early 2013.
- Construction has started on a new Orthodontist office building on Medical Center Blvd as of this date. This shall fulfill our requirement for another commercial business within the development after the approval of the grant request.
- Good progress is being made for new restaurants and retail buildings and businesses within the planned development.
- Projected cost remain as originally anticipated.

13810 CHAMPION FOREST DRIVE – SUITE 145  
HOUSTON, TEXAS 77069  
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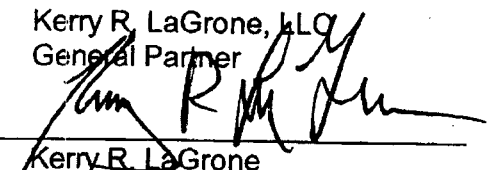
# PA69, L.P.

Please advise if there are any questions or further information required at this time.

Respectfully Submitted,

PA69, L.P.

BY: Kerry R. LaGrone, LLC  
ITS: General Partner



BY: Kerry R. LaGrone  
ITS: President and Managing Director

CC: Mike Baker – PA69, L.P.  
Jason M. Snell – PA69, L.P.  
File

13810 CHAMPION FOREST DRIVE – SUITE 145  
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## Floyd Batiste

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**From:** Kerry LaGrone [krlagrone@lsi-gc.com]  
**Sent:** Tuesday, August 28, 2012 6:05 PM  
**To:** 'Floyd Batiste'  
**Cc:** Mike Baker  
**Subject:** PAEDC/PA69,L.P. Grant

Floyd,

Pursuant to our telephone conversation today regarding the Marriot Hotel Project and roadwork we are requesting to formally amend the dates of our current Grant agreement to align with the Marriot Agreements.

The new dates requested are start construction within 12 months of the September 28, 2012 land closing date and the completion date be September 28, 2014.

Is it possible to have this amendment considered and approved at you next board meeting so we can move forward ?

Please advise and Thanks for your assistance.

Kerry R. LaGrone

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**LSI**

GENERAL CONTRACTORS AND CONSTRUCTION MANAGERS

[WWW.LSI-GC.COM](http://WWW.LSI-GC.COM)

LAGRONE SERVICES, LTD.  
13810 CHAMPION FOREST DRIVE  
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[krlagrone@lsi-gc.com](mailto:krlagrone@lsi-gc.com)

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12-274  
May 29th



# **Exhibit “B”**

**PA69, L.P.**  
**MILESTONE SCHEDULE**

	<u>Deadline</u>	<u>Milestone</u>
(a)	August 1, 2012	Review new street construction plans and projected costs and schedule with EDC Staff
(b)	September 31, 2012	Issue a status report to PAEDC Chief Executive Officer ("CEO") for the period of the contract to July 30, 2012
(c)	February 28, 2013	Issue a status report to PAEDC CEO for the period of August 1, 2012 to December 31, 2012
(d)	July 31, 2013	Foundation for Hotel completed
(e)	December 30, 2013	Issue a status report to PAEDC CEO for the period of January 1, 2013 to December 30, 2013
(f)	July 31, 2014	Issue a status report to PAEDC CEO for the period of December 31, 2013 to August 30 2014
(g)	September 28, 2014	Hotel open for business
(h)	February 28, 2015	Issue a status report to PAEDC CEO for the period of August 20, 2014 to December 31, 2014
(i)	February 31, 2015	Close out report to PAEDC Board, at its March meeting to compare actual economic development results against expectation as presented to the Board on April __ 2015
(j)		
(k)		
(l)		
(m)		
(n)		
(r)		