

RESOLUTION NO. 13-377

A RESOLUTION APPROVING AN AMENDMENT TO THE PERFORMANCE MILESTONES OF THE ECONOMIC INCENTIVE CONTRACT & LOAN AGREEMENT BETWEEN THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION AND J.Z. RUSSELL INDUSTRIES, INC.

WHEREAS, per Resolution 12-047 dated February 28, 2013, the City Council of the City of Port Arthur approved an Economic Incentive Contract & Loan Agreement (the "Agreement") between the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") and J.Z. Russell Industries, Inc. ("J.Z. Russell") as denoted in **Exhibit "A"**; and

WHEREAS, J.Z. Russell acquired a building, in November of 2012, in the Spur 93 PAEDC Business Park; and

WHEREAS, all of the necessary equipment has been installed, and J.Z. Russell is successfully operational at their new location; and

WHEREAS, on August 8, 2013, the PAEDC Board of Directors approved an amendment to the Performance Milestones of the Agreement as denoted in **Exhibit "B"**.

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 Council approves an amendment to the Performance Milestones of the Agreement as denoted in **Exhibit "B"** with an effective date of December 31, 2013.

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 20th day of August A.D., 2013, at a

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

Mayor Prince; Mayor Pro Tem Williamson

Councilmembers Scott, Troy, Lewis and Thomas

NOES: Councilmembers Segler and Freeman

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
Guy N. Goodson, PAEDC Attorney

APPROVED AS TO FORM:

Valecia R. Tizen
Valecia R. Tizen, City Attorney

Exhibit “A”

PERFORMANCE MILESTONE SCHEDULE

JZ Russell Industries, Inc.

	DATE	MILESTONE
(a)	February 29, 2012	JZ Russell Industries issue a Status Report to Port Arthur Economic Development Corporation (PAEDC), CEO on company construction and equipment installation into building.
(b)	June 30, 2012	JZ Russell Industries issue a Status Report on building construction and equipment installation estimated completion date to PAEDC, CEO.
(c)	December 31, 2012	Achieve employment of twelve (12) full-time permanent employees that are Port Arthur (PA) Residents as Technicians and three (3) full-time, permanent employees that are PA Residents as office staff with an annualized payroll of \$539,760 for Port Arthur Residents.
(d)	June 30, 2013	Issue a Business Operational Report to PAEDC, CEO for the period January 1, 2013 to June 30, 2013.
(e)	December 31, 2013	Achieve employment of twelve (12) additional, full-time permanent employees that are Port Arthur (PA) Residents as Technicians and one (1) additional, full-time permanent employee that is a PA Residents, as office staff with an annualized payroll of \$1,010,880. Total accumulative payroll for Port Arthur Residents for year 1 and 2, not less than \$1,550,640.
(f)	June 30, 2014	Issue a Business Operational Report to PAEDC, CEO for the period July 1, 2013 to December 31, 2014. Report to include at least two (2) PA Residents hired, trained, and ready to be assessed for Inspector's certification.
(g)	December 31, 2014	Achieve employment of six (6) additional, full-time permanent employees that are Port Arthur (PA) Residents as Technicians and one (1) additional, full-time permanent employee that is a PA Residents, as office staff with an annualized payroll of \$1,252,600. Total accumulative payroll for Port Arthur Residents for year 1, 2, and 3, not less than \$2,803,160.
(h)	June 30, 2015	Issue a Business Operational Report to PAEDC, CEO for the period January 1, 2014 to June 30, 2015. Report to include at least twelve (12) PA Residents hired, trained, and ready to be assessed for Inspector's certification.
(i)	July 31, 2015	JZ Russell Industries, Inc. meets all PAEDC contractual performance milestones as verified by the PAEDC, CEO.
(j)	September 15, 2015	Prepare closeout report for PAEDC's board and Council's approval.

EXHIBIT “B”

PERFORMANCE MILESTONE SCHEDULE – MODIFIED

JZ Russell Industries, Inc.

	DATE	MILESTONE
(a)	February 29, 2012	JZ Russell Industries issue a Status Report to Port Arthur Economic Development Corporation (PAEDC), CEO on company construction and equipment installation into building.
(b)	June 30, 2012	JZ Russell Industries issue a Status Report on building construction and equipment installation estimated completion date to PAEDC, CEO.
(c)	December 31, 2012	Achieve employment of twelve (12) full-time permanent employees that are Port Arthur (PA) Residents as Technicians and three (3) full-time, permanent employees that are PA Residents as office staff with an annualized payroll of \$539,760 for Port Arthur Residents.
(d)	June 30, 2013	Issue a Business Operational Report to PAEDC, CEO for the period January 1, 2013 to June 30, 2013.
(e)	December 31, 2013	Modifying contract for effective date December 31, 2013: Satisfy Milestone "C" and submit an Operational Status Report to PAEDC, CEO for the period of July 1, 2013 to December 31, 2013.
(f)	July 31, 2014	Issue a Business Operational Report to PAEDC, CEO for the period of January 1, 2014 to June 30, 2014.
(g)	December 31, 2014	Achieve employment of twelve (12) additional, full-time permanent employees that are Port Arthur (PA) Residents as Technicians and one (1) additional, full-time permanent employee that is a PA Resident, as office staff with an annualized payroll of \$1,010,880. Total accumulative payroll for Port Arthur Residents for year 1, 2, and 3 of not less than \$1,550,640. And submit an Operational Status Report to PAEDC, CEO for the period of July 1, 2014 to December 31, 2014.
(h)	July 31, 2015	Issue a Business Operational Report to PAEDC, CEO for the period of January 1, 2015 to June 30, 2015.
(i)	December 31, 2015	Achieve employment of six (6) additional, full-time permanent employees that are Port Arthur (PA) Residents as Technicians and one (1) additional, full-time permanent employee that is a PA Residents, as office staff with an annualized payroll of \$1,252,600. Total accumulative payroll for Port Arthur Residents for year 1, 2, 3, and 4 of not less than \$2,803,160.
(j)	January 30, 2016	Issue a Business Operational Report to PAEDC, CEO for the period July 1, 2015 to December 30, 2015. Report to include at least twelve (12) PA Residents hired, trained, and ready to be assessed for Inspector's certification. Report to include at least two (2) PA Residents hired, trained, and ready to be assessed for Inspector's certification.
(k)	July 31, 2016	JZ Russell Industries, Inc. meets all PAEDC contractual performance milestones as verified by the PAEDC, CEO.
(l)	September 15, 2016	Prepare closeout report for PAEDC's board and Council's approval.