

RESOLUTION NO. 14-196

**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 CLIMATE
CONTROLLED CONTAINERS MANUFACTURING, LLC**

WHEREAS, on June 14, 2012, the City Council of the City of Port Arthur entered into a Lease Agreement with Climate Controlled Containers Manufacturing, LLC (“CCC”) for the property located at 3451 57th Street (hereinafter called the “Armory Building”); and

WHEREAS, the Armory Building was to be improved to meet business requirements of CCC through a grant from the U.S. Department of Commerce Economic Development Administration (“EDA”); and

WHEREAS, per Resolution 12-276, 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 CCC to fund the purchase of equipment with incentive credits earned and with the increased payroll at the Armory Building; and

WHEREAS, the improvements to the Armory Building have not been completed, and CCC has not been able to expand its business operations in the present facilities to employ the anticipated staff to reach the incentive credits as proposed; and

WHEREAS, CCC cannot meet the performance milestones set forth in the Agreement until the improvements to the Armory Building are complete; and

WHEREAS, on April 7, 2014, the PAEDC Board agreed to amend the performance milestones as set forth in **Exhibit "A"** attached hereto to provide additional time for the Armory Building improvements to be completed, and CCC to meet its incentive obligations.

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 City Council approves an amendment to the Performance Milestones of the Agreement as denoted in **Exhibit "A"** to be effective upon City Council approval of this Resolution.

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 15th day of April A.D., 2014, at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote:

AYES:

Mayor

Pro Jim Williamson

Councilmembers

Scott, Segler, Albright, Lewis
Freeman and Thomas.

NOES:

None.

Deloris Prince
Deloris "Bobbie" Prince, Mayor

ATTEST:



Sherri Bellard, City Secretary

APPROVED:



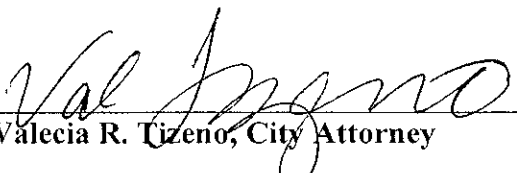
Floyd Batiste, PAEDC CEO

APPROVED AS TO FORM:



Guy N. Goodson, PAEDC Attorney

APPROVED AS TO FORM:



Valecia R. Tizeno, City Attorney

EXHIBIT “A”

PERFORMANCE MILESTONE SCHEDULE - **MODIFIED**

Climate Controlled Containers Mfg., LLC

	DATE	MILESTONE
(a)	December 30, 2012	Climate Controlled Containers Manufacturing, LLC (CCC) issue a status report on building renovation and equipment purchase and installation together with the estimated date for business operations to commence to PAEDC, CEO.
(b)	March 1, 2014	Modify the contractual Milestones for the effective date of March 1, 2014: issue a status report on building renovation and release of building.
(c)	July 15, 2014	Issue an Operational Status Report to PAEDC, CEO for the period of March 1, 2014 to June 30, 2014.
(d)	January 15, 2015	Issue an Operational Status Report for the period of July 1, 2014 to December 31, 2014 and achieve employment of eleven (11) full-time permanent employees who are Port Arthur (PA) Residents with an annualized payroll of \$308,880 for PA residents for the period of June 18, 2012 to December 31, 2014.
(e)	July 15, 2015	Issue an Operational Status Report to PAEDC, CEO for the period January 1, 2015 to June 30, 2015.
(f)	January 15, 2016	Achieve employment of twenty-four (24) full-time permanent employees who are PA residents with an annualized payroll of \$673,920. Total payroll for PA residents to December 31, 2015 not less than \$982,800.
(g)	July 15, 2016	Issue an Operational Status Report to PAEDC, CEO for the period January 1, 2016 to June 30, 2016.
(h)	January 15, 2017	Achieve employment of thirty-nine (39) full-time permanent employees who are PA residents with an annualized payroll of \$1,095,120. Total payroll for PA residents to December 31, 2016 not less than \$2,077,928.
(i)	July 15, 2017	Issue an Operational Status Report to PAEDC, CEO for the period January 1, 2017 to June 30, 2017.
(j)	January 15, 2018	Achieve employment of fifty-six (56) full-time permanent employees who are PA residents with an annualized payroll of \$1,572,480. Total payroll for PA residents to December 31, 2017 not less than \$3,650,400.
(k)	July 15, 2018	Issue an Operational Status Report to PAEDC, CEO for the period January 1, 2018 to June 30, 2018.
(l)	January 15, 2019	Achieve employment of seventy-five (75) full-time permanent employees who are PA residents with an annualized payroll of \$2,106,000. Total payroll for PA residents to December 31, 2018 not less than \$5,756,408.
(m)	July 15, 2019	Issue an Operational Status Report to PAEDC, CEO for the period January 1, 2019 to June 30, 2019.
(n)	January 1, 2020	CCC meets all PAEDC Contractual Performances as verified by the CEO of PAEDC.
(o)	March 31, 2020	Prepare close out report for PAEDC Board and Council approval.