

RESOLUTION NO. 21-102

**A RESOLUTION APPROVING AMENDMENT NO. 1 TO THE  
ECONOMIC DEVELOPMENT CONDITIONAL GRANT  
AGREEMENT BETWEEN THE CITY OF PORT ARTHUR  
SECTION 4A ECONOMIC DEVELOPMENT CORPORATION  
AND AREF 1, LTD.**

**WHEREAS**, per Resolution 19-119 dated March 26, 2019, the City Council of the City of Port Arthur approved an Economic Development Conditional Grant Agreement (the "Agreement") between the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") and Aref 1, Ltd. ("Aref 1") in an amount of \$368,760.00 to reimburse Aref 1 for a portion of the costs for necessary infrastructure improvements to the property located at 3350 Jimmy Johnson Blvd. in Port Arthur, Texas for the development of a multi-tenant shopping center; and

**WHEREAS**, Aref 1 has requested an extension to the Agreement due to circumstances hindering the project construction's completion; and

**WHEREAS**, at their special Board meeting of March 1, 2021, the PAEDC Board of Directors approved an amendment to the Agreement allowing for an additional sixty (60) days to complete the project as detailed in the amendment attached hereto as **Exhibit "A"**.

**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 of the City of Port Arthur approves Amendment No. 1 to the Economic Development Conditional Grant Agreement between PAEDC and Aref 1, Ltd. as denoted in the Amendment attached hereto as **Exhibit "A"**.

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

**READ, ADOPTED AND APPROVED** on this 16<sup>th</sup> day of March A.D., 2021, at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote: AYES:

Mayor Bartie

Councilmembers Holmes, Kinlan, Marks and Frank

NOES: None

  
Thurman Bartie, 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”**

**FIRST AMENDMENT TO THE  
ECONOMIC DEVELOPMENT CONDITIONAL GRANT AGREEMENT  
BETWEEN  
THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT  
CORPORATION  
AND  
AREF I LTD.**

**WHEREAS**, AREF I LTD. ("AREF") and the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") entered into an Economic Development Conditional Grant Agreement (the "Agreement") on March 26, 2019 pursuant to Resolution No. 19-119;

**WHEREAS**, the Agreement provided that AREF would make infrastructure improvements to property located at 3350 Jimmy Johnson Blvd. in Port Arthur, Texas for the construction of a multi-tenant shopping center; and

**WHEREAS**, the Agreement provided that PARC would receive thirty percent (30%) of the conditional grant upon completion of infrastructure improvements, thirty five percent (35%) when AREF obtains a certificate of occupancy for the 2,000 square feet commercial space, and then thirty five percent (35%) of the conditional grant when the AREF obtains a certificate of occupancy for the 1,200 square feet commercial space.; and

**WHEREAS**, AREF has requested for PAEDC to modify the performance milestones to allow it additional time to construct the first commercial tenant space; and

**WHEREAS**, the PAEDC Board of Directors agreed to amend the Agreement and performance milestones at its March 1, 2021 meeting.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION** that:

1. This Amendment to the Economic Development Conditional Grant Agreement between PAEDC and AREF was approved by the PAEDC Board of Directors on March 1, 2021.
2. This Amendment to the Agreement shall be effective upon approval by the City of Port Arthur, Texas.
3. Exhibit C to the agreement is amended per the attached Performance Milestone Schedule (Modified) for AREF attached hereto as Exhibit "C".
4. The recitals to this Amendment are incorporated and fully referenced in this Amendment.
7. Other than the amendment set forth herein, AREF and PAEDC ratify and affirm all terms and conditions of the Agreement dated March 26, 2019.

SIGNED AND AGREED to on this \_\_\_\_ day of \_\_\_\_\_, 2021.

**City of Port Arthur Section 4A  
Economic Development Corporation**

By: \_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

THE STATE OF TEXAS

§

§

COUNTY OF JEFFERSON

§

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2021, by  
\_\_\_\_\_ as President and \_\_\_\_\_ as Secretary on  
behalf of City of Port Arthur Section 4A Economic Development Corporation.

\_\_\_\_\_  
Notary Public, State of Texas

**AREF I LTD.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

THE STATE OF TEXAS

§  
§  
§

COUNTY OF JEFFERSON

This instrument was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2021, by  
\_\_\_\_\_ behalf of AREF I LTD.

\_\_\_\_\_  
Notary Public, State of Texas

**Exhibit C**

**PERFORMANCE MILESTONE SCHEDULE**

***Amended - March 2021***

**AREF I, LTD.**

DATE	MILESTONE
(a) March 31, 2019	Review approved infrastructure plans by the City of Port Arthur and projected costs with PAEDC for the construction of the project at 3350 Jimmy Johnson Blvd., Port Arthur, Texas
(b) April 30, 2019	Aref I will issue a status report to PAEDC on Project construction at 3350 Jimmy Johnson Blvd., Port Arthur, Texas
May 31, 2019	Aref I will provide evidence of completion of the qualifying infrastructure improvements. PAEDC will issue 30% of Economic Incentive Grant
(c) April 30, 2020	Aref I will obtain Certificate of Occupancy for the first retail tenant space and provide a copy to the PAEDC PAEDC will issue 35% of Economic Incentive Grant
(d) October 31, 2020	Aref I will issue a status report to PAEDC on remaining project construction at 3350 Jimmy Johnson Blvd., Port Arthur, Texas
(e) June 30, 2021	Aref I will obtain Certificate of Occupancy for the second retail tenant space and provide a copy to the PAEDC. PAEDC will issue the remaining 35% of Economic Incentive Grant
(f) June 30, 2021	Aref I meets all of their contractual agreement. File is closed.
(g) June 30, 2021	PAEDC Board of Directors release Letter of Credit to Aref I.