P. R. No. 21943
5/5/2021 KVM

RESOLUTION NO. 21-215

A RESOLUTION APPROVING FIRST AMENDMENT TO THE ECONOMIC INCENTIVE CONTRACT & LOAN AGREEMENT BETWEEN THE CITY OF PORT ARTHUR SECTION 4A ECONOMIC DEVELOPMENT CORPORATION AND DEZTEX INDUSTRIAL SERVICES, LLC D/B/A RAMTEX

WHEREAS, per Resolution 19-294 dated July 16, 2019, 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 Deztex Industrial Services, LLC d/b/a Ramtex ("Ramtex") in an amount of $288,460.00 to reimburse Ramtex for equipment purchased for the expansion of their operations into the Spur 93 Business Park; and

WHEREAS, Ramtex has requested an amendment to their Agreement to allow for more time to perform their contractual obligations as they have had a reduction in projects due to the pandemic effect on the local economy resulting in a reduced workforce as detailed in the letter submitted by Ramtex on April 9, 2021 and attached hereto as **Exhibit "A"**; and

WHEREAS, the PAEDC Board of Directors at their regular Board meeting of May 3, 2021, approved extending the Agreement with Ramtex by two additional years as detailed in the First Amendment to the Agreement attached hereto as **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 of the City of Port Arthur approves the First Amendment to the Economic Incentive Contract & Loan Agreement between PAEDC and Deztex Industrial Services, LLC d/b/a Ramtex.

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 25 day of May A.D., 2021, at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote: AYES: Mayor Bartie; Mayor Pro Tem Frank, Councilmembers Haines, Jones, Kinlaw Mark and Moses;

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

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EXHIBIT "A"

DezTex Industrial Services, LLC – dba

RAMTEX

Website: www.Deztex.com
Company Email: info@deztex.com
905 Jade Ave, Port Arthur, TX 77640
P.O. Box 21397, Beaumont, TX 77720
|O: 409-983-5555 |F :409-985-7762

April 9, 2021

ATTN: Port Arthur Economic Development
Port Arthur, TX

Reference: **Contract Agreement Dated August 7, 2019**
Request for Time Extension

Dear PAEDC:

With receipt of the attached letter in regards to the economic incentive provided in 2019, we would sincerely request an extension of time through an Amendment with regard to the economic hardships our industry faced during the year of 2020 and the continuing effects to our area's industrial market. Due to the COVID-19 effect on the local economy, our company endured through the shutdown, but suffered nearly 50% loss in our employee family with the lack of clients moving forward with industrial work, and or projects being completely shut down. This directly affected our ability to retain and produce the payroll milestones agreed upon in our current contract.

We would like to respectfully request an additional two to three years for our company to meet the milestone goals in the agreement with a hopeful uptick in the local economy as clients begin to release resources to begin work that we can service.

In a good faith effort, our company has begun to pick up some work which has resulted in hiring an additional 5 employees who are Port Arthur residents just in the past month. We hope to continue to retain more work in the area and put additional Port Arthur residents to work as the industrial clients continue to move forward with projects.

Thank you for your consideration for the additional time.

Sincerely,

Jordan Robbins
Deztex Industrial Services LLC,
DBA RAMTEX
409-983-5555
www.deztex.com

EXHIBIT "B"

FIRST AMENDMENT TO THE
ECONOMIC INCENTIVE CONRACT & LOAN AGREEMENT
BETWEEN
THE CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT CORPORATION
AND
DEZTEX INDUSTRIAL SERVICES, LLC D/B/A RAMTEX

WHEREAS, Deztex Industrial Services, LLC d/b/a Ramtex ("Incentive Recipient") and the City of Port Arthur Section 4A Economic Development Corporation ("PAEDC") entered into an Economic Incentive Contract & Loan Agreement (the "Agreement") on July 16, 2019 pursuant to Resolution No. 19-294

WHEREAS, the Agreement provided that Incentive Recipient would expand their business operations in the Spur 93 Business Park; and

WHEREAS, the Agreement provided that Incentive Recipient would receive a credit against payroll paid to full-time employees who are residents of Port Arthur as outlined in the Agreement; and

WHEREAS, Incentive Recipient has requested for PAEDC to modify the performance milestones to allow it additional time to perform its contractual obligations due to the Pandemic effecting the local economy; and

WHEREAS, the PAEDC Board of Directors agreed to amend the Agreement and performance milestones at its May 3, 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 Incentive Contract & Loan Agreement between PAEDC and Incentive Recipient was approved by the PAEDC Board of Directors on May 3, 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 Incentive Recipient 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, Incentive Recipient and PAEDC ratify and affirm all terms and conditions of the Agreement dated July 16, 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

DEZTEX INDUSTRIAL SERVICES, LLC
D/B/A RAMTEX

_____

By:_____

Its:_____

THE STATE OF TEXAS §
§
COUNTY OF JEFFERSON §

This instrument was acknowledged before me on the ___ day of _____, 2021, by _____ behalf of DEZTEX INDUSTRIAL SERVICES, LLC D/B/ARAMTEX

_____

Notary Public, State of Texas

EXHIBIT "C"

RAMTEX
Amended - May 2021
PERFORMANCE MILESTONE SCHEDULE

	Deadline	Milestone
(a)	JULY 31, 2019	RAMTEX will issue a *status report* on their move into their new location in the Spur 93 Business Park and the retrofitting of the building and installation of equipment completion date to PAEDC
(b)	DECEMBER 31, 2020	RAMTEX will issue an *operational report* – achieve employment of Port Arthur residents from July 2019 through December 2020; total payroll for permanent Port Arthur Resident employees for years ending 2019 and 2020 should be not less than **$369,378.83**
(c)	MARCH 31, 2021	RAMTEX will issue a *payroll report* - provide PAEDC with W-2's for permanent Port Arthur residents employed during 2019 and 2020
(d)	DECEMBER 31, 2021	RAMTEX will issue an *operational report* – achieve employment of additional Port Arthur residents in 2021; total payroll for permanent Port Arthur Resident employees for year ending 2021 should be not less than **$536.233.73**; total payroll accumulated 2019-2021 - **$905,612.56**
(e)	MARCH 31, 2022	RAMTEX will issue a *payroll report* - provide PAEDC with W-2's for permanent Port Arthur residents employed during 2021
(f)	DECEMBER 31, 2022	RAMTEX will issue an *operational report* – maintain employment of Port Arthur residents; total payroll for permanent Port Arthur Resident employees for year ending 2022 should be not less than **$536.233.73**; total payroll accumulated 2019-2022 - **$1,441,846.29**
(g)	MARCH 31, 2023	RAMTEX will issue a *payroll report* - provide PAEDC with W-2's for permanent Port Arthur residents employed during 2022
(h)	DECEMBER 31, 2023	RAMTEX will issue an *operational report* – maintain employment of Port Arthur residents; total payroll for permanent Port Arthur Resident employees for year ending 2023 should be not less than **$536.233.73**; total payroll accumulated 2019-2021 - **$1,978,080.00**
(i)	MARCH 31, 2024	RAMTEX will issue a *payroll report* - provide PAEDC with W-2's for permanent Port Arthur residents employed during 2023
(j)	JUNE 30, 2024	Once all contractual obligations are met, PAEDC will recommend the closing of the file.