

RESOLUTION NO. 22-219

**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 MIKE'S ENTERPRISES, INC.**

WHEREAS, per Resolution 20-176, dated May 26, 2020, 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 (the "PAEDC") and Mike's Enterprises, Inc. in an amount of \$169,101.00 to reimburse Mike's Enterprises, Inc. for a portion of the costs for necessary infrastructure improvements to the property located at 3300 Jimmy Johnson Blvd. in Port Arthur, Texas for the development of a multi-tenant shopping center; and

WHEREAS, Mike's Enterprises, Inc. has requested an extension to the Agreement due to circumstances hindering the project construction's completion; and

WHEREAS, at their Regular Board Meeting of May 2, 2022, the PAEDC Board of Directors approved an amendment to the Agreement allowing for an additional ninety (90) 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 the Port Arthur Section 4A

Economic Development Corporation and Mike's Enterprises, Inc. as denoted in the Amendment attached hereto as **Exhibit "A"**.

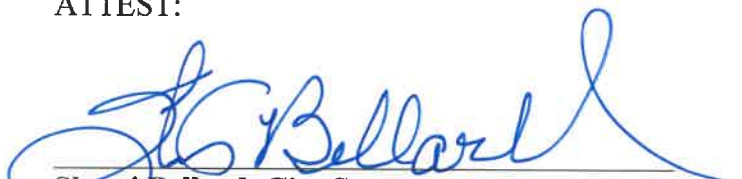
Section 3. That a copy of the caption of this Resolution shall be spread upon the Minutes of the City Council.

READ, ADOPTED AND APPROVED on this 24th day of May A.D., 2022,
at a Meeting of the City Council of the City of Port Arthur, Texas, by the following vote: AYES:
Mayor Bartie; Mayor Pro Tem Holmes;
Councilmembers Kinslow, Mark, Moss
and Frank.

NOES: None.


Thurman Bartie, Mayor

ATTEST:


Sherri Bellard, City Secretary

APPROVED:

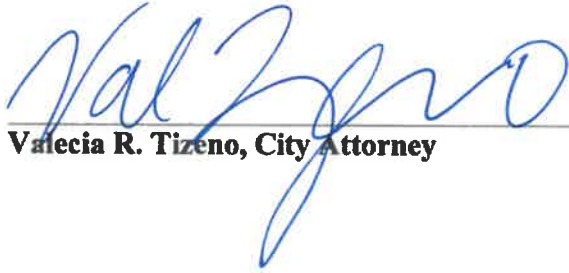

Jerry LaBove, President of the PAEDC Board of Directors

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read "Frank Garza", written over a horizontal line.

Frank Garza, PAEDC Attorney

APPROVED AS TO FORM:

A handwritten signature in blue ink, appearing to read "Valecia R. Tizeno", written over a horizontal line.

Valecia R. Tizeno, City Attorney

EXHIBIT “A”

ECONOMIC DEVELOPMENT CONDITIONAL GRANT AGREEMENT
AMENDMENT NO. ONE

This is an Amendment to an Economic Development Conditional Grant Agreement between **THE CITY OF PORT ARTHUR ECONOMIC DEVELOPMENT CORPORATION (PAEDC)** , and **MIKE'S ENTERPRISES, INC.** (Incentive Recipient).

WHEREAS, the PAEDC and Incentive Recipient, entered into an Economic Development Conditional Grant Agreement (hereinafter referred to as the "Agreement"), effective September 18, 2020; and

WHEREAS, Incentive Recipient acquired the property at 300 Jimmy Johnson Boulevard in the City of Port Arthur, Texas and intended to make significant infrastructure improvements to provide for a 13,000 square feet commercial space for retail, restaurant, and office space, which will generate both sales tax and add to the ad valorem tax base of the City ("Project"); and

WHEREAS, in consideration of development of the infrastructure improvements, PAEDC agreed to reimburse Incentive Recipient in an amount, not to exceed \$169,101.00 to reimburse Mike's Enterprises, Inc. for a portion of the costs for necessary infrastructure improvements as a conditional grant, subject to the receipt of verification of construction of qualifying improvements; and

WHEREAS, Incentive Recipient was given a period of eighteen (18) months from the execution of the Conditional Grant and related agreements to receive the certificates of occupancy and **Exhibit C** of the Agreement outlined the Performance Milestone Schedule Incentive Recipient was to achieve to complete the qualifying improvements; and

WHEREAS, the PAEDC Board approved amending the Agreement to extend the term by an additional ninety (90) days as requested by the Incentive Recipient due to project delays as a result of rising costs of all materials and labor and labor shortages;

NOW, THEREFORE, for and in consideration of mutual covenants and agreements contained herein, and per Section 28 of the Agreement, the parties hereby agree to amend the Agreement as follows:

Section 1. Exhibit C

- d. **May 31, 2022** – Mike's Enterprises will obtain Certificate of Occupancy for the first retail tenant space and provide a copy to the P AEDC. Mike's Enterprises will increase Letter of Credit in an amount equal to an additional 35% of the Incentive Grant. PAEDC will issue 35% of Economic Incentive Grant to Mike's Enterprises.
- e. **July 31, 2022** - Mike's Enterprises will issue a status report to PAEDC on remaining project construction.
- f. **September 30, 2022** - Mike's Enterprises 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.

- g. **October 30, 2022** - PAEDC Board of Directors release Letter of Credit to Mike's Enterprises and file is closed.

Section 2. The Amendment outlined in Section 1 is the only change to the original Economic Development Conditional Grant Agreement and all other provisions of the original Agreement, any approved and Exhibits not in conflict with this Amendment shall remain in full force.

Section 3. This Amendment shall be effective upon the execution of this Amendment by both parties.

**THE CITY OF PORT ARTHUR SECTION 4A
ECONOMIC DEVELOPMENT
CORPORATION**

By: _____

Name: Jerry LaBlove

Title: President

Date: _____

ATTEST:

PAEDC Secretary

MIKE'S ENTERPRISES, INC.

By: _____

Name: Mike Aref

Title: _____

Date: _____

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ECONOMIC DEVELOPMENT
CORPORATION**

By: _____

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Title: President

Date: _____

ATTEST:

PAEDC Secretary

MIKE'S ENTERPRISES, INC.

By: _____

Name: Mike Aref

Title: _____

Date: _____