



Legislation Details (With Text)

File #: ORD-23:004 **Version:** 1 **Name:** AN ORDINANCE AMENDING ORDINANCE NO. 2022-15 OF THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS; MODIFYING THE INTEREST RATE ON THE CITY'S TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS (COLSON CASTER PROJECT), SERIES 2022B ISSUED ON APRIL 19, 2022; AND PR

Type: Ordinance **Status:** Passed

File created: 1/25/2023 **In control:** Finance & Administration Council Committee

On agenda: **Final action:** 3/7/2023

Title: AN ORDINANCE AMENDING ORDINANCE NO. 2022-15 OF THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS; MODIFYING THE INTEREST RATE ON THE CITY'S TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS (COLSON CASTER PROJECT), SERIES 2022B ISSUED ON APRIL 19, 2022; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

Sponsors:

Indexes: Bonds - revenue/development

Code sections:

Attachments: 1. Ordinance Amending Ordinance No. 2022-15 (Colson 2022), 2. ORD-22-015 BONDS_Colson_Redacted

Date	Ver.	Action By	Action	Result
3/7/2023	1	City Council	Passed	Pass
2/21/2023	1	City Council	Held at second reading	
2/7/2023	1	City Council	Held at one reading	
2/2/2023	1	Finance & Administration Council Committee	Recommended to Council	Pass

AN ORDINANCE AMENDING ORDINANCE NO. 2022-15 OF THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS; MODIFYING THE INTEREST RATE ON THE CITY'S TAXABLE ECONOMIC DEVELOPMENT REVENUE BONDS (COLSON CASTER PROJECT), SERIES 2022B ISSUED ON APRIL 19, 2022; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

WHEREAS, the City of Jonesboro, Arkansas (the "City") is authorized under the provisions of Amendment 65 to the Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* and Ark. Code Ann. §§ 14-164-701 *et seq.*, each as amended from time to time (collectively, the "Act"), to own, acquire, construct, equip and lease facilities to secure and develop industry and to assist in the financing thereof by the issuance of bonds payable from revenues derived from such facilities; and

WHEREAS, the City in its Ordinance No. 2022-15, duly adopted March 15, 2022 (the "Original Ordinance"), approved the issuance of three series of taxable economic development revenue bonds under the provisions of the Act, comprising (i) not to exceed \$11,000,000 Taxable Economic Development Revenue Bonds (ADFA/AEDC Guaranty Programs) (Colson Caster Project) Series 2022A, (ii) not to exceed \$4,000,000 Taxable Economic Development Revenue Bonds (Colson Caster Project) Series 2022B (the "Series B Bonds")

and (iii) not to exceed \$9,000,000 Taxable Economic Development Revenue Bonds (Colson Caster Project) Series 2022C, each issued pursuant to the terms of a Trust Indenture dated as of April 19, 2022, entered into between the City and First Security Bank (the “Trustee”); and

WHEREAS, the Original Ordinance included an interest rate for the Series B Bonds that was re-negotiated after the Original Ordinance was approved and the Original Ordinance needs to be amended to correctly state the interest rate for the Series B Bonds.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JONESBORO, ARKANSAS:

Section 1. Amendment to Section 1(a)(ii) of the Original Ordinance. That Section 1(a)(ii) of the Original Ordinance be deleted in its entirety and replaced with the following:

“(ii) The Series B Bonds shall be issued in an aggregate principal amount not to exceed Four Million and 00/100 Dollars (\$4,000,000.00), and the Series B Bonds shall be sold to the Series B Purchaser for a price of par plus the cost of issuance upon the terms and conditions set forth in the Letter of Offer and Representations. The Series B Bonds shall mature not later than December 31, 2037, and bear an interest rate or rates of 5.750% until April 1, 2027, thereafter, the interest rate will be adjusted annually on each April 1 to the Wall Street Journal Prime Rate plus 2.25%, but shall not exceed a maximum of 10.75%. The Wall Street Journal Prime Rate is the interest rate published by the *Wall Street Journal* representing the base rate on corporate loans posted by at least 70% of the 10 largest U.S. banks, or, in the event such rate is no longer published by *The Wall Street Journal*, such other comparable reference or benchmark rate of interest that is reasonably established by the Trustee as its index rate to be in effect from time to time, whether or not such rate is otherwise published.”

Section 2. Ratification. All other terms and provisions of the Original Ordinance not modified herein are hereby ratified and shall remain in full force and effect.

Section 3. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase or word in this ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this ordinance, which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional was not originally a part of this ordinance.

Section 4. Repealer. All ordinances or resolutions of the City, or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

PASSED AND APPROVED THIS 7TH DAY OF MARCH 2023.