



Legislation Details (With Text)

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File created: 10/3/1983 **In control:** City Council
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Title: AN ORDINANCE AUTHORIZING THE ISSUANCE OF A TEMPORARY INDUSTRIAL DEVELOPMENT REVENUE BOND UNDER ACT NO.9 OF 1960, AS AMENDED, FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); AUTHORIZING AND PRESCRIBING CERTAIN OTHER MATTERS PERTAINING TO THE INDUSTRIAL PROJECT, THE ACQUISITION THEREOF, AND THE FINANCING THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST SECURING THE BOND; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE CITY OF JONESBORO, AS LESSOR, AND JONESBORO INDUSTRIAL DEVELOPMENT CORPORATION, AS LESSEE; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY

Sponsors:
Indexes: Bonds - revenue/development

Code sections:
Attachments: 1. Farr Lease Termination 1985

Date	Ver.	Action By	Action	Result
10/3/1983	1	City Council	Passed	Pass

AN ORDINANCE AUTHORIZING THE ISSUANCE OF A TEMPORARY INDUSTRIAL DEVELOPMENT REVENUE BOND UNDER ACT NO.9 OF 1960, AS AMENDED, FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); AUTHORIZING AND PRESCRIBING CERTAIN OTHER MATTERS PERTAINING TO THE INDUSTRIAL PROJECT, THE ACQUISITION THEREOF, AND THE FINANCING THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE OF TRUST SECURING THE BOND; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT BETWEEN THE CITY OF JONESBORO, AS LESSOR, AND JONESBORO INDUSTRIAL DEVELOPMENT CORPORATION, AS LESSEE; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY

WHEREAS, the City of Jonesboro, Arkansas (the "City") is authorized by Act No.9 of the First Extraordinary Session of the Sixty-Second General Assembly of the State of Arkansas, approved January 21, 1960, as amended (the "Act"), to acquire lands, to acquire, construct, improve, and equip manufacturing buildings, improvements, and facilities, and to incur other costs and expenses and make other expenditures incidental to and for the implementing and accomplishing of the conduct of manufacturing operations; and

WHEREAS, the City is authorized by the Act to issue industrial development revenue bonds payable from revenues derived from the industrial project so acquired, improved, constructed, and equipped and secured by a lien thereon and security interest therein; and

WHEREAS, the necessary arrangements have been made with Jonesboro Industrial Development Corporation ("JIDC"), an industrial development Corporation under the provisions of Act No. 404 of the General Assembly

of the State of Arkansas for the year 1955, as amended, for a substantial industrial project consisting of the purchase of facilities which will be renovated by JIDC for such manufacturing operations as JIDC shall elect (the "Project"), and to lease the Project to JIDC pursuant to the terms of a Lease Agreement (the "Lease Agreement"); and

WHEREAS, it is anticipated that JIDC will secure an industrial user for the Project, and will sell its interest in and to the Project to such industrial user;

WHEREAS, pending the securing of an industrial user for the Project, financing of the Project costs, necessary costs and expenditures incidental thereto, and the cost of the issuance of bonds is being furnished by the City issuing a Temporary Industrial Development Revenue Bond under the provisions of the Act of the principal amount of not to exceed One Million Two Hundred Thousand Dollars (\$1,200,000) (the "Bond"); and

WHEREAS, the completion of the Project will increase employment and provide other benefits and be in the best interests of the City and its residents; and

WHEREAS, the Bond is to be in the principal amount of \$1,200,000, and is to be dated, bear interest, mature, and be subject to redemption as hereinafter set forth in the form of Indenture authorized by this Ordinance;

WHEREAS, necessary arrangements have been made for the sale of the Bond to Bank of Northeast Arkansas, Citizens Bank of Jonesboro, First Bank & Trust of Jonesboro, Mercantile Bank, Home Federal Savings & Loan Association, United Federal Savings & Loan Association, Independence Federal Savings & Loan Associations, and Pocahontas Federal Savings & Loan Association (with the Bond to be sold to Northeast Arkansas, which will be hereafter referred to as the "Purchaser," and with the other lending institutions to participate in accordance with an agreement among the lending institutions), at a price equal to 100% of the principal amount thereof;

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Jonesboro, Arkansas:

Section 1: That there be, and there is hereby, authorized and directed the following:

- (a) The sale of the Bond to Purchaser for a price of 100% of the principal amount thereof, but the purchase price shall be paid in multiple advances as moneys are needed for payment of Project costs as determined by JIDC.
- (b) The acquisition of the Project and, in connection therewith, the execution of any necessary architectural, engineering, or construction contracts or the acceptance of an agreement of any such contracts previously executed by JIDC for the acquisition, improving, or equipping of the Project; and
- (c) The performance of all obligations of the City under the Lease Agreement pertaining to the acquiring, improving, or equipping of the Project and the performance of all obligations of the City under the contracts referred to above.

Section 2: The amount of each advance in the purchase price of the Bond shall bear interest from the date of the advance at the rate of ten percent (10%) per annum. The Bond shall be dated as of the date of the first advance and the principal thereof shall mature three (3) years from that date. Interest shall be payable annually, commencing one (1) year after the date of the Bond.

To provide the terms and conditions upon which the Bond is to be secured, executed, authenticated, issued, accepted, and held, the Mayor is hereby authorized and directed to execute and acknowledge an Indenture of Trust, by and between the City and a bank or trust company which will act as trustee hereunder, dated as of

October 1, 1983 (the “Indenture”), and a City Clerk is hereby authorized and directed to execute and acknowledge the Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Indenture to be accepted, executed, and acknowledged by the Trustee. The Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee, the Company, and the Purchaser in order to complete the Indenture in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

(Advice is given that, pursuant to the Act, a copy of the Indenture in substantially the form authorized to be executed is on file with the City Clerk of the City of Jonesboro, and is available for inspection by any interested person.)

Section 3: That there be, and there is hereby authorized the execution and delivery of a Lease Agreement, dated as of October 1, 1983, by and between the City as Lesser, and JIDC as Lessee (the “Lease Agreement”), and the Mayor and City Clerk be, and they are hereby, authorized to execute, acknowledge, and deliver the Lease Agreement for and on behalf of the City. The Lease, Agreement is hereby approved substantially in the form submitted to this meeting, and the Mayor is hereby authorized to confer with JIDC, the Trustee, and the Purchase in order to complete the Lease Agreement in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their executing to constitute conclusive evidence of such approval.

(Advice is given that, pursuant to the Act, a copy of the Lease Agreement in substantially the form authorized to be executed is on file with the City Clerk of the City of Jonesboro, and is available for inspection by any interested person.)

Section 4: The Mayor and City Clerk, for and on behalf of the City, be, and they are hereby, authorized and directed to do any and all things necessary to effect the execution of the Lease Agreement, the performance of the City’s obligations under the lease agreement, the execution and delivery of the Indenture, its execution and acceptance by the Trustee, the performance of all obligations of the City under and pursuant to the Indenture, the execution and delivery of the Bond, and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance (including the execution and delivery of a Termination of 1960 Lease, originally between the City and the Jonesboro Airport Commission as lesser and Crane Co. as lessee). That the Mayor and the City Clerk be, and they are hereby, further authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

Section 5: That since the City is here involved with the acquisition of a complex industrial project, requiring highly specialized work and specialized types of machinery and equipment, it has been and is hereby determined by the City Council that competitive bidding be, and the same is hereby, waived as to this particular industrial project. This action is taken by the City Council pursuant to applicable laws of the State of Arkansas, including particularly the Act.

Section 6: Rose Law Firm, a Professional Association, of Little Rock, Arkansas, is hereby appointed as Bond Counsel with respect to the issuance of the Bond, the fees and expenses of which firm shall be costs of the Project,

Section 7: That the provisions of this Ordinance are hereby declared to be severable, and if any section, phrase, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

Section 8: That all of the Ordinances, Resolutions, and parts thereof in conflict herewith, are hereby repealed to the extent of such conflict.

Section 9: That there is hereby found and declared to be an immediate need for the securing of substantial industrial operations in order to provide employment, alleviate unemployment, and otherwise benefit the public health, safety, and welfare of the City and the inhabitants thereof, and the issuance of the Bond authorized hereby and the taking of the other action authorized herein are immediately necessary in connection with the securing of substantial industrial operations and deriving the public benefits referred to above. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public health, safety, and welfare shall be in force and take effect immediately upon and after its passage.

PASSED and ADOPTED this 3rd day of October, 1983.