



Legislation Details (With Text)

File #: ORD-84:1690 **Version:** 1 **Name:** Revenue bonds for Colson Caster
Type: Ordinance **Status:** Passed
File created: 4/16/1984 **In control:** City Council
On agenda: **Final action:** 4/16/1984
Title: AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR INDUSTRIAL FACILITIES; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING A LOAN AGREEMENT BETWEEN THE CITY OF JONESBORO, ARKANSAS AND COLSON CASTER CORPORATION; AUTHORIZING THE SALE OF THE BONDS AND THE EXECUTION OF A BOND PURCHASE AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY (NOTE: THIS ORDINANCE WAS AMENDED BY ORD-84:1657 ON NOVEMBER 5, 1984)

Sponsors:

Indexes: Bonds - revenue/development

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
4/16/1984	1	City Council	Passed	Pass

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR INDUSTRIAL FACILITIES; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING A LOAN AGREEMENT BETWEEN THE CITY OF JONESBORO, ARKANSAS AND COLSON CASTER CORPORATION; AUTHORIZING THE SALE OF THE BONDS AND THE EXECUTION OF A BOND PURCHASE AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY (**NOTE: THIS ORDINANCE WAS AMENDED BY ORD-84:1657 ON NOVEMBER 5, 1984**)

WHEREAS, the City of Jonesboro, Arkansas (the "City"), is authorized and empowered under the provisions of 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 issue revenue bonds and to expand the proceeds thereof to finance the acquisition, construction and equipment of land, buildings or facilities which can be used in securing or developing industry; and

WHEREAS, it is proposed that the City issue its revenue bonds under the Act and loan the proceeds thereof to Colson Caster Corporation, a Delaware corporation (the "Company"), for the purpose of financing the cost of acquiring, constructing, and equipping certain industrial facilities (the "Project") at the caster manufacturing plant operated by the Company at the City; and

WHEREAS, pursuant to and in accordance with the provisions of the Act and Section 103 of the Internal Revenue Code of 1954, as amended, a public hearing was held on April 2, 1984, before the City Council at a regular meeting on the question of the adoption of an ordinance authorizing the issuance of revenue bonds under the Act, such hearing having been adjourned and continued at this meeting in order to provide further opportunity for persons of differing views to be heard; and

WHEREAS, after due consideration, the City is now prepared to proceed with financing the Project and to issue and sell \$1,200,000 in principal amount of its Industrial Development Revenue Bonds - Colson Caster Corporation Project, Series 1984 (the "Bonds"), to provide such financing; and

WHEREAS, the payment of the principal of and premium, if any, and interest on the Bonds will be unconditionally guaranteed by the Colson Group, Inc., a Delaware corporation and the parent corporation of the Company; and

WHEREAS, copies of the hereinafter described Trust Indenture and Loan Agreement have been presented to and are before this meeting;

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

Section 1: The City hereby finds that the acquiring, constructing and equipping of the Project and the issuance of the Bonds to finance the same, will assure the continuation of substantial employment and payrolls and will thereby secure and develop industry at the City.

Section 2: That the issuance of the Bonds is hereby authorized. The Bonds shall be issued in the forms and denominations (including a single typewritten bond), shall be dated, shall be numbered, shall bear interest (at fluctuating rates subject to conversion to a fixed rate at the option of the Company, in each case not to exceed the maximum permitted by law), and shall be subject to redemption prior to maturity all upon the terms and conditions recommended by the Company and to be set forth in the Trust Indenture (hereinafter authorized) securing the Bonds. The Bonds shall mature in each of the years and in the amounts set forth in the following table:

Year	Principal Amount
1987	\$50,000
1988	100,000
1989	100,000
1990	150,000
1991	200,000
1992	600,000

Section 3: That the Bonds be sold to Continental Illinois National and Trust Company of Chicago, Chicago, Illinois (the "Purchaser"), for the purchase price of 100 cents on the dollar, which purchase price is recommended by the Company, and upon such other terms and conditions recommended by the Company, and upon such other terms and conditions recommended by the Company (including the remarketing from time to time of the Bonds by the Purchaser) and to be set forth in the bond purchase agreement (the "Bond Purchase Agreement"). The Mayor is hereby authorized to confer with the Purchaser and the Company in order to determine the terms of the Bond Purchase Agreement, and to execute and deliver the same on behalf of the City.

Section 4: To prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed to execute and acknowledge a Trust Indenture by and between the City and a bank or trust company which will act as Trustee there under (the "Indenture"), and the 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.

Section 5: That there be, and there is hereby authorized the execution and delivery of a Loan Agreement by and between the City and the Company (the "Loan Agreement"), and the Mayor and City Clerk be, and they are hereby, authorized to execute, acknowledge and deliver the Loan Agreement for and on behalf of the City. The Loan Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company, the Trustee and the Purchaser in order to complete the Loan Agreement 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.

Section 6: That 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 and delivery of the Loan Agreement and the performance of all obligations of the City hereunder, the execution and delivery of the Indenture and the performance of all obligations of the City hereunder, the issuance, execution, sale and delivery of the Bonds, the execution and delivery of the Bond Purchase Agreement, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. That the Mayor and City Clerk be, and the 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 7: That the City is hereby involved with the acquiring, constructing and equipping of industrial facilities, and pursuant to applicable laws of the State of Arkansas, including particularly the Act, competitive bidding is waived.

Section 8: That the City Clerk is hereby authorized and directed to file in the office of the City Clerk, as a part of the minutes of the meeting at which this Ordinance is adopted, for inspection by any interested person a copy of the Indenture, Loan Agreement, and Bond Purchase Agreement, and such documents shall be on file for inspection by any interested person.

Section 9: That the law firm of Friday, Eldredge & Clark, Little Rock, Arkansas, be appointed to act as Bond Counsel on behalf of the City in connection with the issuance and sale of the Bonds.

Section 10: That the provisions of this Ordinance are hereby declared to be separable, 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 invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions.

Section 11: That all ordinances, resolutions and parts thereof in conflict within are hereby repealed to the extent of such conflict.

Section 12: That there is hereby found and declared to be an immediate need for the securing and developing of industry in order to provide the continuation of substantial employment and payrolls, alleviate unemployment and otherwise benefit the public health, safety and welfare of the City and the inhabitants thereof, and the issuance of the Bonds authorized hereby and the taking of the other authorized hereby are immediately necessary for the accomplishing of these public benefits and purposes. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public peace, health and safety shall be in force and effect immediately upon and after its passage.

PASSED and ADOPTED on this 16th day April, 1984.