



Legislation Details (With Text)

File #: ORD-67:2642 **Version:** 1 **Name:** Revenue bonds for Alton Box Board Co.
Type: Ordinance **Status:** Passed
File created: 8/21/1967 **In control:** City Council
On agenda: **Final action:** 8/21/1967
Title: AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER 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, FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING OF THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING TO THE INDUSTRIAL PROJECT, THE CONSTRUCTION THEREOF AND THE FINANCING THEREOF; AND DECLARING AN EMERGENCY.

Sponsors:

Indexes: Bonds - revenue/development

Code sections:

Attachments: 1. Trust Indenture

Date	Ver.	Action By	Action	Result
8/21/1967	1	City Council	Passed	Pass

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER 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, FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING OF THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING TO THE INDUSTRIAL PROJECT, THE CONSTRUCTION THEREOF AND THE FINANCING THEREOF; AND DECLARING AN EMERGENCY.

WHEREAS the City of Jonesboro, Arkansas (called "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 (called "Act No. 9"), to acquire lands, construct and equip manufacturing building, 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 Act No. 9 to issue Industrial Development Revenue Bonds payable from revenues derived from the industrial project so acquired and constructed and secured by a lien thereon; and

WHEREAS the necessary arrangements have been made with Alton Box Board Company, a Delaware corporation (call "Alton") for an expansion of the industrial project presently owned by the City and leased to Alton, which over-all project (the original project as expanded) consists of lands, building, improvements, machinery, equipment and facilities for an industrial plant which will be utilized for the manufacturing of such products as Alton shall elect to manufacture (call the "Project") and to lease the Project to Alton pursuant to the

terms of a Lease and Agreement (called “Lease Agreement”) and

WHEREAS permanent financing of the Project costs, necessary costs and expenditures incidental thereto and to the expeditious commencement of manufacturing operations, the cost of the issuance of bonds and the amount necessary to provide for interest on bonds until Project revenues are available and to refund the outstanding Industrial Development Bonds of the City issued under Act No. 9 to finance the original project (necessary to obtain financing for the expansion upon the most favorable terms) is being furnished by the issuance of Industrial Development Revenue Bonds by the City under the provisions of Act No. 9 in the principal amount of not to exceed Seven Hundred Forty-Eight Thousand (\$748,000) (called “bonds”); and

WHEREAS there has been submitted to the electors of the City the question of issuing the bonds at a special election, and at the special election the electors approved the issuance of the bonds; and

WHEREAS the bonds are to be sold and delivered in series, with there being initially issued Series A in the principal amount of \$325,000, dated, bearing interest, maturing and subject to redemption as hereafter in this Indenture set forth in detail;

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 \$325,000 in aggregate principal amount of Series A Bonds;
- b. The execution of all necessary architectural, engineering and construction contracts for the constructing and equipping of the Project, with executed copies of all such contracts to be filed in the office of the Clerk; and
- c. The performance of all obligations of the City under the Lease Agreement pertaining to the constructing and equipping of the Project and the performance of all obligations of the City under the architectural, engineering and construction contracts referred to in (b) above.

Section 2. That to provide for the authorization and to secure Industrial Development Revenue Bonds of the City under Act No. 9 in the total principal amount of not to exceed \$748,000, to provide for the immediate execution and delivery of the Series A Bonds in the principal amount of \$325,000, and to prescribe the terms and conditions upon which the bonds are to be secured, executed, authenticated, accepted and held, the Mayor is hereby authorized and directed to execute and acknowledge the Trust Indenture, and the City Clerk is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause said Trust Indenture to be accepted, executed and acknowledged by the Trustee, with the Trust Indenture, which constitutes and is hereby made a part of this Ordinance, to be in substantially the following form, to wit:

(Advice is hereby given that a copy of the form of Trust Indenture is on file in the office of the City Clerk reference may be had thereto by any interested person.)

Section 3. 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 acceptance of the Trust Indenture by the Trustee, the performance of all obligations of the City under the pursuant to the Trust Indenture, the execution and delivery of the bonds, and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance and by the Trust Indenture. That the Mayor and 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 the authority conferred by this

Ordinance and the Trust Indenture, or to evidence that authority and its exercise.

Section 4. That since the City is here involved with constructing and equipping of a complex expansion of an industrial project, requiring highly specialized work particularly intricate because it must be tied into an existing plant, it has been and is hereby determined by the City Council that competitive bidding is not feasible or practical. Therefore, and requirements under Ordinances of the City or under the laws of the State of Arkansas for competitive bidding be, and the same are hereby, waived as to this particular industrial project. This action is taken by the Cit Council pursuant to applicable laws of the State of Arkansas, including particularly Section 5 of Act No. 28 of the Acts of Arkansas of 1959 (Ark. Stats. (1955 Cumulative Pocket Supplement) Section 19-4425).

Section 5. That the provisions of the 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 remainder of the sections, phrases and provisions.

Section 6. That all ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7. That there is hereby found and declared to be an immediate need for the securing and developing of substantial industrial operations in order to provide additional employment, 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 taking of the other action authorized herein are immediately necessary in connection with the securing and developing 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: August 21, 1967.