



Legislation Details (With Text)

File #: ORD-77:2125 **Version:** 1 **Name:** Revenue bonds for Wheeler Brick Co.
Type: Ordinance **Status:** Passed
File created: 7/18/1977 **In control:** City Council
On agenda: **Final action:** 7/18/1977
Title: AN ORDINANCE AUTHORIZING ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS 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 THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING AND PRESCRIBING CERTAIN OTHER MATTERS PERTAINING TO THE INDUSTRIAL PROJECT, THE CONSTRUCTING THEREOF AND THE FINANCING THEREOF; AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF JONESBORO, AS LESSOR, AND WHEELER BRICK CO., INC. AS LESSEE, IN SUBSTANTIALLY THE FORM AND WITH SUBSTANTIALLY THE CONTENTS SET FORTH IN AND MADE A PART OF THIS ORDINANCE; AUTHORIZING THE EXECUTION AND DELIVERY OF THE LEASE AGREEMENT; PRESCRIBING OTHER MATTERS RELATING THERETO, AND DECLARING AN EMERGENCY

Sponsors:

Indexes: Bonds - revenue/development

Code sections:

Attachments:

| Date | Ver. | Action By | Action | Result |
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| 7/18/1977 | 1 | City Council | Passed | Pass |

AN ORDINANCE AUTHORIZING ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS 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 THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING AND PRESCRIBING CERTAIN OTHER MATTERS PERTAINING TO THE INDUSTRIAL PROJECT, THE CONSTRUCTING THEREOF AND THE FINANCING THEREOF; AUTHORIZING A LEASE AGREEMENT BETWEEN THE CITY OF JONESBORO, AS LESSOR, AND WHEELER BRICK CO., INC. AS LESSEE, IN SUBSTANTIALLY THE FORM AND WITH SUBSTANTIALLY THE CONTENTS SET FORTH IN AND MADE A PART OF THIS ORDINANCE; AUTHORIZING THE EXECUTION AND DELIVERY OF THE LEASE AGREEMENT; 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 (“Act No.9”), to acquire lands, construct 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 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 security interest therein; and

WHEREAS, the necessary arrangements have been made with the Wheeler Brick Co., Inc. (“Wheeler”), for a substantial industrial project consisting of the construction and equipping of manufacturing facilities which will be utilized for the manufacture of brick and such other products as Wheeler shall elect to manufacture and distribute (the “Project”), and to lease the Project to Wheeler pursuant to the terms of a Lease Agreement (the “lease Agreement”); and

WHEREAS, permanent 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 Industrial Development Revenue Bonds under the provisions of Act No. 9 of the principal amount of not to exceed One Million Three Hundred Thousand Dollars (\$1,300,000), in one or more series (the “bonds”); and

WHEREAS, the completion of the Project will furnish additional employment and other benefits, and be in the best interest of the City and its residents; and

WHEREAS, the bonds are to be sold and delivered in the principal amount of \$1,300,000, of which \$500,000 is designated Series A, and \$800,000 is designated Series B, and which are dated, bear interest, mature and are subject to redemption as hereinafter set forth in the form of Indenture authorized by this Ordinance; and

WHEREAS, the City proposes to enter into Bond Purchase Contracts with Stephens Inc. for the sale of the Series A Bonds, and Citizens Bank of Jonesboro and the Security Bank of Paragould, Arkansas for the sale of the Series B Bonds;

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 bonds at the price of par, plus accrued interest to date of delivery, according to the terms of said Bond Purchase Contracts with Stephens Inc. as to the Series A Bonds, and with Citizens Bank of Jonesboro and the Security Bank as to the Series B Bonds, which Contracts are hereby approved and authorized to be executed by the Mayor and Clerk on behalf of the City at the request of Wheeler;
- (b) The acquisition and construction of the Project, and in connection therewith, the execution of any necessary architectural, engineering or construction contracts or the acceptance of an assignment of any such contracts previously executed by Wheeler, for the construction and equipping of the Project; and
- (c) The performance of all obligations of the City under the Lease Agreement pertaining to constructing and equipping of the Project and the performance of all obligations of the City under the contracts referred to above.

Section 2: That to provide for the authorization of and to secure Industrial Development Revenue Bonds of the City under Act No. 9 in the total principal amount of \$1,300,000, to provide for the immediate execution and delivery of the bonds in the principal amount of \$1,300,000, 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 a 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 the Trust Indenture to be accepted, executed and acknowledged by Citizens Bank of Jonesboro, with the Trust Indenture, which constitutes and is hereby made a part of this Ordinance, to be in substantially the following form, to wit: (A true copy of the Trust Indenture authorized to be executed is on file with the City Clerk of Jonesboro and available for inspection 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 of the Trust Indenture, its execution and acceptance by the Trustee, the performance of all obligations of the City under and pursuant to the Trust Indenture, the execution and delivery of the bonds, the execution and delivery of the bonds, the execution and delivery of an Official Statement in form and substance satisfactory to said officers and the purchasers 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 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 the authority or to evidence the exercise thereof.

Section 4: That there be, and there is hereby authorized the execution and delivery of a Lease Agreement wherein the City is Lessor and Wheeler is Lessee, in substantially the form and with substantially the contents hereinafter set forth, 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 form and contents of the Lease Agreement, which are hereby approved and which are made a part hereof, shall be substantially as follows: (A true copy of the Lease 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 5: That since the City is here involved with the constructing and equipping 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 are 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 Act No. 9.

Section 6: 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 7: That, all, ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 8: 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 inhabitants thereof, and the issuance of the bonds authorized hereby and the 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 and ADOPTED this 18th day of July, 1977.