



Legislation Details (With Text)

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5/4/1992	1	City Council	Passed	Pass

RESOLUTION TO ENTER INTO A MEMORANDUM OF INTENT WITH WIRE ROPE CORPORATION OF AMERICA

THIS MEMORANDUM OF INTENT IS BETWEEN THE CITY OF JONESBORO, ARKANSAS, PARTY OF THE FIRST PARTY (HEREIN CALLED THE "CITY"), AND WIRE ROPE CORPORATION OF AMERICA, A MISSOURI CORPORATION WHOSE PRINCIPAL OFFICE IS IN ST. JOSEPH, MISSOURI, PARTY OF THE SECOND PART (HEREIN CALLED THE "BORROWER".)

In consideration of the undertakings of the parties set forth herein and the benefits to be derived therefrom and of other good and valuable considerations, receipt of which is hereby acknowledged by the Parties, the City and the Borrower agree:

1. PRELIMINARY STATEMENT.

(A) The City is a duly existing Municipality under the laws of the State of Arkansas and is authorized by the laws of the State of Arkansas, including particularly 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 ("Act9"), to issue Revenue Bonds for financing the costs of acquiring Industrial Facilities (as defined in an authorized by Act 9) and to finance the same upon such terms and conditions as the City deems advisable.

(B) The Borrower proposes to acquire certain industrial facilities and has requested a commitment from the City that it issue Industrial Development Bonds and make the proceeds available for the permanent financing of all or part of the costs and expenses incurred in acquiring the Industrial Facilities.

(C) The City is willing so to commit and to proceed with the issuance of such bonds as and when requested by the Borrower.

(D) The Acquisition of the Industrial Facilities will secure and develop Industry and thereby promote the general health and economic welfare of the inhabitants of the City and adjacent areas.

2. UNDERTAKINGS ON THE PART OF THE CITY. THE CITY AGREES AS FOLLOWS:

(A) That when requested by the Borrower, it will authorize and take or cause to be taken, the necessary steps to issue bonds under Act 9, in the aggregate principal amount necessary to furnish the permanent financing of all or any part of the costs of acquiring the Industrial Facilities. In this regard, it is estimated at this time that the costs of accomplishing the acquisition of the Industrial Facilities will not exceed \$20,000,000.00, but bonds will be issued in such amount as shall be requested by the Borrower, whether that amount is more or less than \$20,000,000.00 (the "Bonds").

(B) That it will, at the proper time and subject in all respects to the recommendation and approval of the Borrower, have the Bonds underwritten and will adopt, or cause to be adopted, such proceedings and authorize the executive on such as may be necessary and advisable for the authorization, sale and issuance of the Bonds, at the acquisition of the Industrial Facilities, the Loan of the proceeds of the Bonds to the Borrower for that purpose or the leasing of or sale of the Industrial Facilities to the Borrower (it being understood that the form of the transaction will be subsequently determined), all in conformity with Act 9 and any other applicable Federal and State Laws and upon terms and conditions mutually satisfactory to the City and the Borrower.

(C) That the Aggregate Basic Payments (i.e., the payments to be used to pay the principal of, premium, if any, and interest on the Bonds) payable under loan or other agreement between the City and the Borrower, shall be sufficient to pay the principal of premium, if any and interest on the Bonds when due.

(D) That is will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3. UNDERTAKINGS ON THE PART OF THE BORROWER. THE BORROWER AGREES AS FOLLOWS:

(A) That it will cooperate with the City in the sale and issuance of the Bonds to the end of achieving timely and favorable marketing thereof.

(B) That it will enter into such loan agreement or other appropriate agreement with the City as Borrower and the City determine to use, under which the Borrower will obligate itself to pay to the City payments sufficient to pay the principal of, premium, if any and interest on Bonds when due.

(C) That it will take such further action a adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

(D) That it will make payments in lieu of ad valorem taxes for distribution to the ad valorem taxing authorities on all facilities financed by the bonds. In this regard, an appropriate agreement covering the detail of the payment will be entered into and delivered at or before the closing of the Bond issue.

4. GENERAL PROVISIONS.

(A) This Memorandum of intent shall continue in full force and effect until the Industrial Facilities and their financing by Bonds, as herein specified, is accomplished, and in the regard it is understood that there may be separate issues of Bonds, and separate series within a particular issue, with different maturities, interest rates, redemption provisions and other details. In the case of each issue, and of each series, the City will take appropriate action by ordinance or resolution to sell and authorize the Bonds and to authorize and execute such agreements and documents as may be determined necessary or desirable by the City and the Borrower.

(B) It is recognized that the Industrial Facilities may be operated by a company 7 in which the Borrower owns a controlling interest and that the rights of the Borrower hereunder may be assigned, upon assumption of the obligations hereof.

IN WITNESS WHEREOF, the parties hereto have entered into the memorandum of intent by their Officer's thereunto duly authorized as of the 4th day of May, 1992.