



## Legislation Text

---

**File #:** ORD-67:2661, **Version:** 1

---

AN ORDINANCE CALLING A SPECIAL ELECTION ON THE QUESTION OF ISSUING INDUSTRIAL DEVELOPMENT REVENUE BONDS 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, FOR THE PURPOSE OF DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL UNDERTAKING IS DESCRIBED IN THE BODY OF THE ORDINANCE); PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY

WHEREAS Alton Box Board Company, a Delaware corporation, authorized to do business in Arkansas (called "Alton") operates an industrial project consisting of lands, building, improvements and facilities (herein sometimes called the "Original Project") under a Lease Agreement with the City of Jonesboro, Arkansas (called "City"); and

WHEREAS the City financed the Original Project by issuing Industrial Development Revenue Bonds 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 (called "Act No.9"), with the bonds issued in connection with the financing of the Original Project being herein referred to as the "outstanding bonds"; and

WHEREAS the progress of the manufacturing operations of Alton justifies an expansion with resulting increased employment and other benefits to the City, its citizens and the citizens of Craighead County, Arkansas; and

WHEREAS in order to finance the expansion and obtain the public benefits there from it is necessary to refund the outstanding bonds (\$128,000 will be required for this purpose) so that the new money (approximately \$620,000) can be obtained on a parity of security so as to make the overall financing feasible; and

WHEREAS the City purposes to issue bonds under Act No.9 in the principal amount of not to exceed \$748,000, for the purpose of accomplishing the refunding and financing the expansion, with related expenses necessarily incurred in connection therewith and in connection with the financing, and the first step in the proceeding is to submit the question of issuing the bonds under Act No.9 to the electors at a special election called for that purpose;

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

Section 1: That a special election be, and the same is hereby, called to be held in the City on the 9<sup>th</sup> day of May, 1967, at which election there will be submitted to the electors the question of issuing Industrial Development Revenue Bonds under Act No.9 in the principal amount of not to exceed \$748,000 for the purpose of furnishing the overall financing incurred in connection with industrial development (the particular industrial undertaking is described above). The bonds will be dated, will bear interest at such rate or rates, interest will be payable on such dates, the bonds will mature on such date or dates, the bonds will be subject to redemption prior to maturity in such manner and upon such terms, and the bonds will be issued as one issue or in series at one time or from time to time, all as the City Council shall subsequently determine and specify in the ordinance

authorizing their issuance.

Section 2: That the question shall be placed on the ballot for the special election in substantially the following form:

Vote on measure by placing an “X” in the square above the measure either FOR or AGAINST:

FOR the issuance of Industrial Development Revenue Bonds by the City of Jonesboro, Arkansas in the principal amount of not to exceed \$748,000.....|

AGAINST the issuance of Industrial Development Revenue Bonds by the City of Jonesboro, Arkansas in the principal amount of not to exceed \$748,000.....|

It is proposed to issue City of Jonesboro, Arkansas (called “City”) Industrial Development Revenue Bonds (called “bonds”) under Act No.9 of the First Extraordinary Session of the Sixty-Second General Assembly on the State of Arkansas, approved January 21, 1960, as amended (called “Act No.9”) in an amount not to exceed \$748,000 for the purpose of furnishing the overall financing incurred in connection with the developing of industry (being \$128,000 for refunding the outstanding bonded indebtedness of the City incurred in financing the Original Project and not to exceed \$620,000 for new money). The bonds will be dated, will bear interest at such rate or rates, interest will be payable on such dates, the bonds will mature on such date or dates, the bonds will be subject to redemption prior to maturity in such manner and upon such terms, and bonds will be issued as one issue or in series at one time or from time to time, all as the City Council shall subsequently determine and specify in the ordinance authorizing their issuance. The proposed industrial development will consist of an expansion of the Original Project owned by the City and leased to and operated by Alton Box Board Company, a Delaware corporation, authorized to do business in Arkansas (called “Alton”), with the overall industrial undertaking, the Original Project as expanded, being herein referred to as the “industrial project”. The industrial project will be owned by the City and will be leased to Alton for rentals which will be sufficient to provide for the payment of the principal of, interest on and paying agent’s fees in connection with the bonds as the same become due. The bonds will not be general obligations of the City but will be special obligations payable solely from revenues derived from the industrial project, including particularly lease rentals under the Lease Agreement to be executed with Alton and referred to above, which revenues and rentals will be specifically pledged to the payment of the principal of and interest on the bonds, and the bonds will be secured by a lien on the industrial project as authorized by Act No.9.

Section 3: That the election shall be held and conducted and the vote canvassed and the results declared under the law and in the manner provided for municipal elections, so far as the same may be applicable, and the Mayor shall give notice of such election by an advertisement published once a week for four consecutive weeks in a newspaper having a bona fide circulation in the City of Jonesboro, Arkansas, with the last publication to be not less than ten days prior to the date of the election, and only qualified electors of said City shall have the right to vote at said election on said question.

Section 4: That the results of said election shall be proclaimed by the Mayor and his proclamation shall be published one time a newspaper having a bona fide circulation in the City of Jonesboro, Arkansas, which proclamation shall advise that the results as proclaimed shall be conclusive unless attacked in the courts within thirty days after the date of such proclamation.

Section 5: That, a copy of this ordinance shall be furnished the Craighead County Board of Election Commissioners so that the necessary election officials and supplies may be provided.

Section 6: That there is hereby found and declared to be an immediate need for the securing and developing of industry in order to provide additional employment, increased payrolls, alleviate unemployment and provide other benefits incidental thereto, and the issuance of the bonds referred to in this ordinance is essential to accomplishing the said public benefits. 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 3<sup>rd</sup> day of April, 1967.