



Legislation Text

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR INDUSTRIAL FACILITIES AND THE REFUNDING OF CERTAIN PRIOR BONDS; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING A LEASE AND AGREEMENT BETWEEN THE CITY OF JONESBORO, ARKANSAS AND HYTROL CONVEYOR COMPANY, INC.; AUTHORIZING THE SALE OF THE BONDS; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Jonesboro, Arkansas (the "City"), is authorized and empowered under the provisions of Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated (the "Act"), to issue revenue bonds and to expend 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 desires to issue under the Act (a) Industrial Development Revenue Bonds (Hytrol Conveyor Company, Inc. Project), Series 1992A in the aggregate principal amount of \$3,000,000 (the "series 1992A Bonds") to defray the costs of acquiring an expansion, which expansion shall consist of buildings, improvements, machinery and equipment (the "Project"), and (b) Industrial Development Revenue Refunding Bonds (Hytrol Conveyor Company, Inc. Project), Series 1992B in the aggregate principal amount of \$895,000 (the "Series 1992B Bonds") to refund its Industrial Development Revenue Bonds - Hytrol Project, Series A and B, dated August 1, 1979 (the "Prior Bonds") and that the City lease the Project to Hytrol Conveyor Company, Inc., a Wisconsin corporation (the "Company"); and

WHEREAS, pursuant to and in accordance with applicable provisions of Arkansas law and Section 147 (f) of the Internal Revenue Code of 1986, as amended (the "Code"), a public hearing was held prior to the passage and approval this Ordinance before the City Council on the question of the issuance of such revenue bonds under the Act; and

WHEREAS, after due consideration, the City is now prepared to proceed with financing the Project and, at the request of the Company, to issue and sell Series 1992A Bonds and Series 1992B Bonds (collectively, the "Bonds") to provide such financing; and

WHEREAS, copies of the hereinafter described Trust Indenture and Lease and 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, construction and equipping of the Project, and the issuance of the Bonds to finance the same, will provide substantial employment and payrolls and will thereby secure and develop industry at the City and Surrounding area.

SECTION 2: That the issuance of the Bonds is hereby authorized. The Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered. shall bear interest (at rates to be recommended by the

Company, but not exceeding 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 set forth in the Trust Indenture (hereinafter authorized) securing the Bonds.

SECTION 3: That the Bonds be sold to the purchaser or purchases designed by First Tennessee Bank, National Association, Memphis, Tennessee, as placement agent selected by the Company, for the purchase price of 100% of par, plus accrued interest, if any, from the date of the Bonds to the date of delivery, which price is recommended by the Company, and upon such other terms and conditions recommended by the Company.

SECTION 4: That 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 First Tennessee Bank National Association, Memphis, Tennessee which will act as Trustee thereunder (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 and others in order to complete the Indenture in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee and others 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 Lease and Agreement by and between the City and the Company (the "Lease Agreement"), 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 Lease Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Company and others in order to complete the Lease 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 there is hereby authorized the preparation and distribution to various prospective and actual purchasers of the Bonds of a limited offering or private placement memorandum describing the Bonds and their security, and setting forth such other information as may be determined to be necessary or desirable. The Mayor is hereby authorized to execute such memorandum of behalf of the City.

SECTION 7: That the City is hereby elects to have the provisions of Section 144 (a) (4) (A) of the Code apply to the Bonds.

SECTION 8: 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 Lease Agreement, and the Indenture and the performance of all obligations of the City thereunder, the issuance, execution, sale and delivery of the Bonds, the refunding of the Prior Bonds 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 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 such authority or to evidence the exercise thereof.

SECTION 9: That the redemption of the Prior Bonds and the use of the proceeds of the Bonds for such purpose are hereby authorized.

SECTION 10: That the City is hereby involved with the acquiring, construction and equipping of industrial facilities, and pursuant to applicable laws of the State of Arkansas, including particularly the Act, competitive bidding is waived.

SECTION 11: 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 an interested person copies of the Indenture and the Lease Agreement, and such documents shall be on file for inspection by any interested person.

SECTION 12: 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 remainder of the sections, phrases and provisions.

SECTION 13: That all ordinances, resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

SECTION 14: That there is hereby found and declared to be an immediate need for the securing and developing of industry in order to provide substantial employment and payrolls, thereby alleviating unemployment and otherwise benefiting 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 action 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 this 15th day of June, 1992.