



Legislation Text

File #: ORD-06:151, **Version:** 1

AN ORDINANCE PROVIDING FOR THE EXECUTION AND DELIVERY OF AN ARKANSAS MASTER LEASE AND OPTION AGREEMENT FOR THE PURPOSE OF FUNDING THE ACQUISITION AND INSTALLATION OF MUNICIPAL EQUIPMENT AND OTHER RELATED FACILITIES IN THE CITY OF JONESBORO, ARKANSAS; PROVIDING FOR THE PAYMENT OF LEASE PAYMENTS PURSUANT TO SUCH AGREEMENT; AND PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Jonesboro ("City"), acting through the City Council of the City, has acknowledged the need for acquiring and installing certain police, fire, sanitary, and other equipment and related facilities (the "Equipment") in the City; and

WHEREAS, the City is authorized and empowered under the laws of the State of Arkansas, including particularly Amendment 78 to the Constitution of the State of Arkansas, and Arkansas Code Annotated Title 14, Chapter 78, as amended (the "Act"), to issue its tax exempt lease obligations for the purpose of financing the Equipment; and

WHEREAS, in order to finance the acquisition and installation of the Equipment, the City intends to enter into an Arkansas Master Lease and Option Agreement pursuant to the provisions of the Act; and

WHEREAS, the Obligations will consist of a financing lease evidenced by an Arkansas Master Lease and Option Agreement, in a principal amount not to exceed \$6,000,000, between Banc of America Leasing & Capital, LLC, as lessor (the "Lessor"), and the City, as lessee (the "Lease Agreement").

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

SECTION 1: The acquisition and installation of the Equipment are hereby authorized and approved.

SECTION 2: Under the authority of the Constitution and laws of the State of Arkansas, including particularly Arkansas Code Annotated Title 14, Chapter 78 (the "Act"), the Obligations are hereby authorized in the total principal amount of not to exceed \$6,000,000. The Obligations shall be evidenced by the hereinafter authorized Lease Agreement. The Obligations shall not be general obligations of the City, but shall be special obligations payable solely from revenues permitted to be used therefore pursuant to the Act.

SECTION 3: The issuance of the Obligations is hereby authorized for the purposes of (i) providing funds to finance the cost of the acquisition and installation of the Equipment; and (ii) to pay the costs of issuance of the Obligations.

SECTION 4: To prescribe the terms and conditions upon which the Obligations are to be executed, accepted, held and secured, the Mayor is hereby authorized and directed to execute a Master Equipment Lease Agreement in a principal amount not to exceed \$6,000,000, between Banc of America Leasing & Capital, LLC, as lessor (the "Lessor"), and the City, as lessee (the "Lease Agreement"), and the Mayor and City Clerk are hereby authorized and directed to cause the Lease Agreement to be accepted, executed and acknowledged by the City

and the Lessor. The Lease Agreement is hereby approved in substantially the form submitted to this meeting, with such changes, omissions, insertions and revisions as the Mayor and City Clerk with the advice of counsel, shall deem advisable, the execution and delivery by the Mayor and City Clerk of such Lease Agreement to constitute conclusive evidence of the City's acceptance and approval thereof.

SECTION 5: The Mayor and the City Clerk, for and on behalf of the City, are authorized and directed to do any and all things necessary to effect the preparation, execution and delivery of the Lease Agreement, the performance of all obligations of the City under the Lease Agreement, the issuance and delivery of the Obligations, the use of a portion of the proceeds from the Obligations to commence acquisition of the Equipment and the performance of all acts enumerated in this Ordinance and all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and City Clerk are 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 6: It is hereby found and declared that an immediate need exists for the Equipment in order to achieve the most cost effective financing for the acquisition and installation of equipment to be used by the City to provide municipal services to the inhabitants of the City. It is, therefore, declared that an emergency exists. This Ordinance, being necessary for the immediate preservation of the public peace, health and safety, shall take effect and be in force from and after its passage.

PASSED this 21st day of February, 2008.