



Legislation Text

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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 DEVELOPMENT INDUSTRY (THE PARTICULAR INDUSTRIAL UNDERTAKING IS DESCRIBED IN THE BODY OF THE ORDINANCE); PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY

Whereas The Colson Corporation, an Ohio corporation authorized to do business in Arkansas (called "Colson") operates and industrial project consisting of lands, buildings, improvements and facilities (sometimes referred to as the "original project") as Lessee under a Lease Agreement; and

Whereas the original project was financed by the City of Jonesboro, Arkansas (called "City") issuing bonds (called "outstanding bonds"); and

Whereas the progress of the manufacturing operations of Colson 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 refinance the indebtedness evidenced by the outstanding bonds (\$296,000 will be required for the refinancing) so that the new money (approximately \$300,000) can be obtained on a party of security, which is necessary to make the over-all financing plan feasible; and

Whereas in order to carry out the over-all financing plan it is proposed to issue not to exceed \$596,000 in principal amount of Industrial Development Revenue Bonds under 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") and the purpose of this Ordinance 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 9th day of May, 1967, at which election there shall 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 \$596,000 for the purpose of refinancing the outstanding indebtedness of the City, and financing an expansion of the existing industrial operations of and in connection with the Colson industrial project. 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 insubstantially the following

form: Vote on measure by placing “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 \$596,000.....|___|

AGAINST the issuance of Industrial Development Revenue Bonds by the City of Jonesboro, Arkansas in the principal amount of not to exceed \$596,000.....|___|

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 of the State of Arkansas, approved January 21, 1960, as amended (called “Act No.9”) in the principal amount of not to exceed \$596,000 for the purpose of furnishing the over-all financing necessarily incurred in connection with an expansion of the industrial operations of The Colson Corporation, an Ohio corporations authorized to do business in Arkansas (called “Colson”). The bonds will be dated, will bear interest at such rate or rates, interest will be payable on such dates, the bonds will mature 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. A portion of the principal amount of the bonds (\$296,000) will be used to refinance the existing indebtedness of the City incurred in connection with the original project being operated by Colson under a Lease Agreement, and the remaining portion of the proceeds of the bonds (not to exceed \$300,000) will be used to finance the proposed expansion of the original project and necessary expenses relating thereto and to the financing (with the over-all project, the original project as expanded, being herein referred to as the “industrial project”). The industrial project will be leased to Colson 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 Colson 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, with the last publication to be not less than ten days prior to the date of the election, and only qualified electors of the City shall have the right to vote at the election on the question.

Section 4: That the results of the election shall be proclaimed by the Mayor and his proclamation shall be published one time in a newspaper having a bona fide circulation in the City, 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 all ordinances and resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 7: 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, alleviate unemployment and provide other benefits incidental to the operation of a substantial industry, and the issuance of the bonds to be voted upon by the electors at the special election called by this ordinance is necessary for the accomplishment thereof. 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 effects immediately upon and after its passage.

PASSED and ADOPTED this 3rd day of April, 1967.