



Legislation Text

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AN ORDINANCE AUTHORIZING THE ISSUANCE 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, FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING OF THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING TO THE INDUSTRIAL PROJECT, THE CONSTRUCTING THEREOF AND THE FINANCING THEREOF; AND DECLARING AN EMERGENCY

WHEREAS, the City is authorized by 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 (“Act No. 9”), to acquire lands, construct and equip manufacturing buildings, improvements and facilities and to incur other costs and expenses and make other expenditures incidental to and for the implementing and accomplishing of the conduct of manufacturing operations; and

WHEREAS, the City is authorized by Act No. 9 to issue Industrial Development Revenue Bonds payable from revenues derived from the Industrial Project so acquired and constructed and secured by a lien thereon; and

WHEREAS, the necessary arrangements have been made with W.A. Krueger Co., a Wisconsin corporation (“Krueger”), for a substantial industrial project consisting of lands, buildings, improvements, machinery, equipment and facilities for an industrial plant which will be utilized for the manufacturing of such products as Krueger shall elect to manufacture (the Project), and to lease the Project to Krueger pursuant to the terms of a Lease and Agreement subsequently identified herein and referred to as the “Lease Agreement”; and

WHEREAS, permanent financing of the Project costs, necessary costs and expenditures incidental thereto and costs of the issuance of the bonds, is being furnished by the City issuing Industrial Development Revenue Bonds under the provisions of Act No. 9 in the principal amount of not to exceed Five Million Dollars (\$5,000,000) the “bonds”; and

WHEREAS, there has been submitted to the electors of the City the question of issuing the Act No.9 bonds at a special election, and at the special election the electors approved the issuance of the bonds; and

WHEREAS, the bonds are to be sold and delivered in series, with there being initially issued Series A Bonds in the principal amount of \$3,000,000, dated, bearing interest, maturing and subject to redemption as hereafter set forth in the form of Indenture authorized by this Ordinance; and

WHEREAS, arrangements have been made for the sale of the Series A Bonds at a price of par and accrued interest;

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

Section 1: That there be, and there is hereby authorized and directed the following:

- (a) The sale of the Series A Bonds;
- (b) The acquisition and construction of the Project, and in connection therewith, the execution of any necessary architectural, engineering or construction contracts or the acceptance of an assignment of any such contracts previously executed by Krueger, for the constructing and equipping of the Project;
- (c) The performance of all obligations of the City under the Lease Agreement pertaining to the constructing and equipping of the Project and the performance of all obligations of the City under the contracts referred to in (b) above.

Section 2: That to provide for the authorization of and to secure Industrial Development Revenue Bonds of the City under Act No. 9 in the total principal amount of not to exceed \$5,000,000, to provide for the immediate execution and delivery of the Series A Bonds in the Principal amount of \$3,000,000 and to proscribe the terms and conditions upon which the bonds are to be secured, executed, authenticated, accepted and held, the Mayor is hereby authorized and directed to execute and acknowledge a Trust Indenture, and the City Clerk is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Trust Indenture to be accepted, executed and acknowledged by the Trustee, with the Trust Indenture, which constitutes and is hereby made a part of this Ordinance, to be in substantially the following form, to wit:

(Trust Indenture on file in the City Clerk's office)

Section 3: 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 of the Trust Indenture, its execution and acceptance by the Trustee, the performance of all obligations of the City under and pursuant to the Trust Indenture, the execution and delivery of the Bonds, and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance and by the Trust Indenture. That the Mayor and the 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 the authority or to evidence the exercise thereof.

Section 4: That since the City is here involved with the constructing and equipping of a complex industrial project, requiring highly specialized work and specialized types of machinery and equipment, it has been and is hereby determined by the City Council that competitive bidding be, and the same are hereby, waived as to this particular industrial project. This action is taken by the City Council pursuant to applicable laws of the State of Arkansas, including particularly Act No. 9.

Section 5: That the Mayor and City Clerk for and on behalf of the City, be and they are hereby authorized and directed to take all action, and execute and file all documents, necessary to perfect an election to proceed under Section 103 (c) (6) (D) of the Internal Revenue Code of 1954 to the end of insuring that interest on the bonds is exempt from Federal income taxes.

Section 6: That the provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provisions shall for any reason be declared to be severable, and if any section, phrase or provision for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 7: That, all ordinances, resolutions, and parts thereof, in conflict herewith, are hereby repealed to the extent of such conflict.

Section 8: That there is hereby found and declared to be an immediate need for the securing and developing of substantial industrial operations in order to provide additional employment, alleviate unemployment and otherwise benefit 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 herein are immediately necessary in connection with the securing and developing of substantial industrial operations and deriving the public benefits referred to above. 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 21st day of February, 1972.