



Legislation Text

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AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF PROVIDING THE FINANCING FOR INDUSTRIAL FACILITIES; AUTHORIZING AN INDENTURE OF TRUST SECURING THE BONDS; AUTHORIZING A LOAN AGREEMENT BETWEEN THE CITY AND FARR COMPANY; AUTHORIZING THE SALE OF THE BONDS AND THE EXECUTION OF A PLACEMENT AGENT AGREEMENT IN CONNECTION THEREWITH; AUTHORIZING AND PRESCRIBING OTHER MATTERS PERTAINING THERETO; AND DECLARING AN EMERGENCY (**NOTE: THIS ORDINANCE WAS AMENDED BY ORD-85:1596 ON DECEMBER 16, 1985**)

WHEREAS, the City of Jonesboro, Arkansas (the “City”), is authorized and empowered 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 (the “Act”), to issue revenue bonds and to expend the proceeds therefore 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 issue its revenue bonds under the Act and loan the proceeds thereof to Farr Company a California corporation (the “Company”), for the purpose of financing the cost of acquiring, construction and equipping an industrial project located within the corporate limits of the City (the “Project”); and

WHEREAS, pursuant to and in accordance with the provisions of the Act, the City is now prepared to proceed with financing the Project and, at the request of the Company, to issue and sell \$8,000.000 in principal amount of its revenue bonds (the “Bonds”), to provide such financing; and

WHEREAS, the Bonds will be secured by an irrevocable letter of credit issued by Security Pacific National Bank, Los Angeles, California (the “Bank”); and

WHEREAS, the Company advises that it expects to initially employ approximately 100 persons and that upon final completion of the Project it expects to employ a total of approximately 220 persons in the operation of the Project; and

WHEREAS, copies of the hereinafter described Indenture of Trust, Loan Agreement, Remarketing Agreement, Placement Agent Agreement, and Inter-creditor 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, constructing and equipping of the Project and the issuance of the Bonds to finance the same, will provide substantial equipment and payrolls and will hereby secure and develop industry at the City.

Section 2: That the issuance of the Bonds is hereby authorized, and Bonds shall be designated “City of Jonesboro, Arkansas Variable Rate Demand Industrial Development Revenue Bonds (Farr Company Project),”

and shall be in the aggregate principal amount of \$8,000,000. The Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, and shall be subject to redemption prior to maturity all upon the terms and conditions recommended by the Company and to be set forth in the indenture of Trust (hereinafter authorized) securing the Bonds. The Bonds shall bear interest at a fluctuating rate per annum (subject to conversion to a fixed rate at the option of the Company), not to exceed the maximum permitted by applicable law, as set forth in the Indenture of Trust, and shall mature on December 1, 2003.

Section 3: That the Bonds be sold pursuant to a Placement Agent agreement among the City, the Company, and Security Pacific Capital Markets Group (Security Pacific National Bank), Los Angeles, California, as placement agent (the "Placement Agent Agreement"), for the purchase price of 100 cents on the dollar, which price is recommended by the Company, and upon the terms and conditions set forth in the Placement Agent Agreement. The Bonds may be remarketed from time to time pursuant to a Remarketing Agreement among the City, the Company, and the Bank (the "Remarketing Agreement"), and the Indenture of Trust (hereinafter authorized). The Mayor and City Clerk are hereby authorized to execute, acknowledge and deliver the Placement Agent Agreement and the Remarketing Agreement for and on behalf of the City. The Placement Agent Agreement and the Remarketing Agreement are hereby approved in substantially the forms submitted to this meeting, and the Mayor is hereby authorized to confer with the other parties thereto in order to complete the Placement Agent Agreement and the Remarketing Agreement in substantially the forms submitted to this meeting with such changes as shall be approved by such persons executing the documents, their execution to constitute conclusive evidence of such approval.

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 an Indenture of Trust by and between the City and First Commercial Bank, National Association, Little Rock, Arkansas, as Trustee there-under (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 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 to prescribe the respective rights of the City, the Trustee and the Bank with respect to the Bonds, there is hereby authorized the execution and delivery of an Inter-creditor Agreement by and among the City, the Trustee and the Bank (the "Inter-creditor Agreement"), and the Mayor and City Clerk be, and they are hereby, authorized to execute, acknowledge and deliver the Inter-creditor Agreement for and on behalf of the City. The Inter-creditor Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the other parties thereto in order to complete the Inter-creditor 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 be, and there is hereby authorized the execution and delivery of a Loan Agreement by and between the City and the Company (the "Loan Agreement by and between the City and the Company (the "Loan Agreement"), and the Mayor and City Clerk be, and they are hereby, authorized to execute, acknowledge and deliver the Agreement for and on behalf of the City. The Loan 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 Loan 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 7: 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 executive and delivery of the Placement Agent Agreement and the performance of all obligations of the City there-under, the execution and delivery of the Remarketing Agreement and the performance of all obligations of the City there-under, the execution and delivery of the Inter-creditor Agreement and the performance of the City there-under, the execution and delivery of the Loan Agreement and the performance of all obligations of the City there-under, the execution and delivery of the indenture and the performance of all obligations of the City there-under, the issuance, execution, sale and delivery of the Bonds, the execution, delivery and distribution of an official statement of placement memorandum (if requested), 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 requirement for the carrying out of such authority or to evidence the exercise thereof.

Section 8: That the City is hereby involved with the acquiring, constructing and equipping of industrial facilities, and pursuant to applicable laws of the State of Arkansas, including particularly the Act, competitive bidding is waived.

Section 9: 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 any interested person, a copy of the Indenture, the Loan Agreement, the Placement Agent Agreement, the Remarketing Agreement and the Inter-creditor Agreement, and such documents shall be on file for inspection by any interested person.

Section 10: That (a) Friday, Eldredge & Clark, Little Rock, Arkansas, is hereby appointed to act as Bond Counsel on behalf of the City in connection with the issuance and sale of the Bonds, and (b) the Bank is hereby appointed to act as Remarketing Agent under the Indenture.

Section 11: 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 12: That all ordinances, resolutions and parts thereof in conflict herewith aare hereby repealed to the extent of such conflict.

Section 13: That there is hereby found and declared to be an immediate need for the securing and developing of industry in order to provide employment and payrolls, 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 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 November 18th, 1985.