



Legislation Text

File #: ORD-84:1685, **Version:** 1

AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING FOR INDUSTRIAL FACILITIES; AUTHORIZING A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING A LEASE AND AGREEMENT BETWEEN THE CITY OF JONESBORO, ARKANSAS, AS LESSOR, AND TATE CONTAINERS OF CONWAY, INC., AS LESSEE; 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 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 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 provide permanent financing, through the issuance of revenue bonds under the Act, of a portion of the costs of acquiring, constructing and equipping an industrial project located within the corporate limits of the City (the “Project”), and that the City lease the Project to Tate Containers of Conway, Inc., an Arkansas corporation (the “Company”), to be operated by the Company (or its successors or assigns); 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 to issue and sell \$1,000,000 in aggregate principal amount of its Industrial Development Revenue Bonds - Tate Containers of Conway, Inc. Project, Series 1984 (the “Bonds”), to provide such financing; and

WHEREAS, the payment of the principal of, premium, if any, and interest on the Bonds will be guaranteed by the Company and by Tate Containers, Inc., an Arkansas corporation and an affiliate of the Company; and

WHEREAS, the payment as due of the principal of and interest on the Bonds will be guaranteed by the Department of Industrial Development of the State of Arkansas pursuant to Act No. 173 of 1967, as amended, and Act No. 397 of 1969, as amended; and

WHEREAS, the Company presently owns and operates an industrial facility at the City employing approximately 18 persons, and the Company advises that upon completion of the Project it expects to close the existing facility and to employ a total of approximately 75 persons in the operation of the Project; 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 Council hereby finds that the acquiring, constructing and equipping of the Project and the

issuance of the Bonds to finance the same, will provide a substantial increase in employment and payrolls and will thereby secure and develop industry within the City.

Section 2: The issuance of the Bonds is hereby authorized. The Bonds shall be issued in 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 Trust Indenture (hereinafter authorized) securing the Bonds. The Bonds shall bear interest at the rates per annum, and shall mature in each of the years, as set forth in the following table:

Year	Principal Amount	Interest Rate
1985	70,000	6.75
1986	75,000	7.00
1987	80,000	7.50
1988	85,000	7.90
1989	90,000	8.25
1990	100,000	8.50
1991	110,000	9.00
1992	120,000	9.00
1993	130,000	9.25
1994	140,000	9.50

Section 3: That the Bonds is sold to T.J. Raney & Sons, Inc. and Stephens Inc., both of Little Rock, Arkansas (the “Purchasers”), for the purchase price of 97% of par, plus accrued interest from the date of the Bonds to the date of delivery, which price is recommended by the Company.

Section 4: 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 Mercantile Bank, Jonesboro, 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 acknowledge 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, the Company and the Purchasers 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 as Lesser and the Company as Lessee (the “Lease Agreement”), and the Mayor and the 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, the Trustee and the Purchasers 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 be, and there is hereby, authorized the preparation and distribution to various prospective and actual purchasers of the Bonds of an Official Statement in the name of the City, describing the City, the

Bonds, the Indenture, the Lease Agreement, and setting forth such other information as may be determined to be necessary or desirable by the Purchasers, the Company and the City. The Mayor is authorized to execute such Official Statement on behalf of the City.

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 execution and delivery of the Lease 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, 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 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 and the Lease Agreement, and such documents shall be on file for inspection by any interested person.

Section 10: That the law firm of Friday, Eldredge & Clark, Little Rock, Arkansas, be appointed to act as Bond Counsel on behalf of the City in connection with the issuance and sale of the Bonds.

Section 11: That the provisions of this Ordinance are hereby declared to be separable, and if any section, phrase of 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 are 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 21st day of May, 1984.