



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 AKRANSAS, APPROVED JANUARY 21, 1960, AS AMENDED, FOR THE PURPOSE OF PROVIDING PERMANENT FINANCING OF THE COSTS 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 of Jonesboro, Arkansas (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 industrial development; 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 security interest therein; and

WHEREAS, there has arisen an unusual opportunity for the City in that lands may be acquired for industrial purposes (the “Project”) upon terms whereby the purchase price for the Project may be paid from revenues derived from the Project, and these terms can be carried out by issuing bonds, under Act No. 9, to the owner of the lands, and the bonds will be secured solely by a pledge of revenues derived from the lands and a lien on the lands; and

WHEREAS, the necessary arrangements have been made with Hytrol Conveyor Company, Inc., a Wisconsin corporation (“Hytrol”), to lease the Project to Hytrol pursuant to the terms of a Lease and Agreement subsequently identified herein and referred to as the “Lease Agreement”; and

WHEREAS, at a special election the electors approved the issuance of industrial development revenue bonds; and

WHEREAS, the bonds are to be sold and delivered in series, and Series A Bonds, in the principal amount of \$600,000, have already been sold and issued; and

WHEREAS, the bonds now being issued are in the principal amount of \$250,000 (the “bonds”).

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 issuance of the bonds;

- (b) The acquisition and accomplishment of the Project, and, in connection therewith, the execution of all contracts or the acceptance of an assignment of any such contracts previously executed by Hytrol; and
- (c) The performances of all obligations of the City under the Lease Agreement pertaining to the Project and the performance of all obligations of the City under the contracts referred to in (b) above.

Section 2: To prescribe 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 (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 Clerk are hereby authorized and directed to cause the Indenture to be accepted, executed and acknowledged by the Trustee. The Indenture, which constitutes and is hereby made a part of this Ordinance, shall be in substantially the following from to wit:

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 Indenture, its execution and acceptance by the Trustee, the performance of all obligations of the City under and pursuant to the Indenture, the execution and delivery of the bonds, and the performance of all acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance and be the Indenture. 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 4: That the provisions of this Ordinance are hereby declared to be severable, 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 5: That there is hereby found and declared to be an immediate need for the securing and developing of industry at the City in order to provide additional employment and increased payrolls and to provide other benefits incidental to the operation of a substantial industry and otherwise benefit the public peace, health and safety 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 2nd day of September, 1975.