

ORDINANCE NO. 0-75-16

AN ORDINANCE CALLING A SPECIAL ELECTION TO VOTE UPON THE QUESTION OF AUTHORIZING 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 FURNISHING ALL OR A PORTION OF THE PERMANENT FINANCING OF THE COST OF SECURING AND DEVELOPING INDUSTRY (THE PARTICULAR INDUSTRIAL PROJECT IS DESCRIBED IN THE ORDINANCE); PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, Kirkwood Industries, Inc., an Ohio corporation ("Kirkwood"), has proposed a substantial industrial project which will furnish employment and payrolls and otherwise result in public benefits, all in the best interest of the City of Conway, Arkansas (the "City") and its citizens and inhabitants; and

WHEREAS, the proposed industrial project will consist of the acquisition of lands and an existing building, the construction of additional improvements and the acquisition and installation of machinery, equipment and facilities for an industrial plant which will be utilized for the manufacturing of such products as Kirkwood shall elect to manufacture (the "Project"); and

WHEREAS, in order to make the necessary provision for permanent financing of all or a portion of the Project costs and expenses of authorizing and issuing bonds, it is proposed that there be authorized Three Million Dollars (\$3,000,000) in principal amount of bonds (the "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 ("Act No. 9"), which may be issued in series from time to time; and

WHEREAS, the purpose of this Ordinance is to submit the question of authorizing the Bonds to the electors of the City at a special election called for that purpose;

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

Section 1. That a special election be, and the same is hereby, called to be held in the City on the 14th day of October, 1975, at which election there will be submitted to the electors of the City the question of authorizing Three Million Dollars (\$3,000,000) in principal amount of Industrial Development Revenue Bonds for the purpose of furnishing all or a portion of the permanent financing of the cost of securing and developing industry (the particular project is described above). The Bonds will be dated, will bear interest at the rate or rates, the 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 may be issued in series from time to time, all as the City Council shall subsequently determine and specify in the ordinance or ordinances authorizing the issuance of the Bonds.

Section 2. That the question shall be placed on the ballot for the election in substantially the following form:

Vote on measure by placing an "X" in the square above the measure either FOR or AGAINST:

FOR the issuance of Industrial Development Revenue Bonds by the City of Conway, Arkansas, in the aggregate principal amount of up to \$3,000,000 . . . . .

AGAINST the issuance of Industrial Development Revenue Bonds by the City of Conway, Arkansas, in the aggregate principal amount of up to \$3,000,000 . . . . .

It is proposed to authorize City of Conway, Arkansas (the "City") Industrial Development Revenue Bonds (the "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 ("Act No. 9"), in the aggregate principal amount of \$3,000,000 for the purpose of furnishing all or a portion of the permanent financing of the cost of securing and developing industry. The Bonds will be dated, the Bonds will bear interest at such rate or rates, the 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 may be issued in series from time to time, all as the City Council shall subsequently determine and specify in the ordinance or ordinances authorizing their issuance. The proposed industrial project will consist of the acquisition of lands and an existing building, the construction of additional improvements and the acquisition and installation of machinery, equipment and facilities for an industrial plant (the "Project"), and the proceeds of the Bonds will be sufficient together, with funds if any, furnished by Kirkwood (hereinafter identified) to pay Project costs and expenses of issuing the Bonds. The Project will be owned by the City and leased or sold to Kirkwood Industries, Inc., an Ohio corporation ("Kirkwood"), or a subsidiary, for lease rentals or payments sufficient to provide for the payment of the principal of and interest on the Bonds that are issued. If a subsidiary is utilized, all obligations of the subsidiary will be guaranteed by Kirkwood. The Bonds will not be general obligations of the City but will be special obligations payable solely from revenues derived from the Project, including particularly lease rentals or payments under the Lease or Sale Agreement with Kirkwood, which will be specifically pledged to the payment of the principal of and interest on the Bonds, and the Bonds may be secured by a lien on and security interest in the 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 of the City shall give notice of the 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.

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 the proclamation.

Section 5. That a copy of this Ordinance shall be furnished to the Faulkner County Board of Election Commissioners so that the necessary election officials and supplies may be provided.

Section 6. 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, and the authorization of the Bonds referred to in this Ordinance is essential to accomplishing those public benefits. 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: Sept. 9, 1975.

APPROVED:

ATTEST:

*Doris Damm*  
City Clerk

*John A. Hoggard*  
Mayor

(SEAL)