



City of Conway, Arkansas
Resolution No. R-15-39

A RESOLUTION OF INTENT REGARDING THE REIMBURSEMENT OF CERTAIN COSTS AND EXPENSES INCURRED IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION, EQUIPPING AND INSTALLATION OF CERTAIN BETTERMENTS AND IMPROVEMENTS TO THE ELECTRIC SYSTEM OF THE CITY

WHEREAS, the City of Conway, Arkansas (the "City") owns an electric generation and distribution system (the "System") serving the residents of the City, which System is operated and maintained by the Conway Corporation, a nonprofit corporation organized and existing under the laws of the State of Arkansas (the "Corporation"), pursuant to a lease from the City and an exclusive franchise to operate the System granted to the Corporation by the City; and

WHEREAS, the Corporation has determined the need for certain improvements and betterments in connection with the operation of the System, including (i) the acquisition, construction and equipping of an administration building of approximately 30,000 square feet to be located at the corner of Locust and Deer Streets adjacent to the existing Corporation office building, (ii) the acquisition, construction and equipping of an electric substation to be located at 1725 Middle Road, (iii) the acquisition and installation of certain automated electric and water metering equipment, (iv) the acquisition and installation of street light controls and changes, and (v) the acquisition and installation of interstate lighting equipment (collectively, the "Project"); and

WHEREAS, the Corporation has requested that the City assist in obtaining financing for the Project; and

WHEREAS, the total costs of the Project, including expenses associated with the financing thereof, are presently estimated to be approximately \$25,000,000; and

WHEREAS, the Corporation and the City do not have adequate funds on hand to pay the estimated costs of the Project and related expenses; and

WHEREAS, the City proposes to obtain the necessary funds to accomplish the Project and to pay related expenses through the issuance of tax-exempt revenue bonds issued by the City and sold through an underwriter (the "Bonds"); and

WHEREAS, the principal amount of the Bonds is not presently expected to exceed \$25,000,000; and

WHEREAS, the purpose of this Resolution is for the City to declare its "official intent" to reimburse itself or the Corporation for certain preliminary costs (incurred by or on behalf of the City and related to the Project) pursuant to Section 1.150-2 of the Regulations of the U.S. Department of Treasury promulgated pursuant to the provisions of the Internal Revenue Code of 1986, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS:

Section 1. That the adoption of this Resolution is intended as the City's "official intent" to reimburse itself or the Corporation from the proceeds of Bonds for preliminary costs of the Project and related expenses advanced by the City or the Corporation.

Section 2. That a copy of this resolution shall be furnished by the Mayor to any entity requesting such a copy in connection with the financing of the Project.

PASSED AND APPROVED this 28th day of July, 2015.

Approved:



Mayor Tab Townsell

Attest:



**Michael O. Garrett
City Clerk/Treasurer**