

RESOLUTION NO. R-84-14

WHEREAS, the City of Conway is applying to the State of Arkansas for an Arkansas Community and Economic Development grant; and

WHEREAS, it is necessary that certain conditions be met as part of the application requirements; and

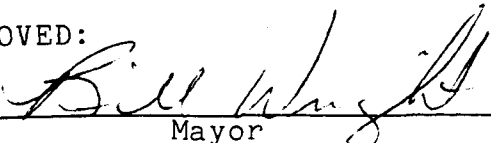
WHEREAS, the City of Conway has conducted two public hearings as part of the application process to receive and consider citizen comments on community needs and proposed activities.

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

That, Bill Wright, the Mayor, is authorized to submit this application to the State of Arkansas, on behalf of the City of Conway, to undertake an Economic Set-Aside Grant, if funded. These funds will be loaned to Mid-South Cabinets at a set interest rate and term. Mid-South Cabinets will utilize the funds to purchase equipment and land for a new plant and provide new job opportunities for approximately fifty (50) persons.

PASSED this 22nd day of May, 1984.

APPROVED:

  
\_\_\_\_\_  
Mayor

ATTEST:

  
\_\_\_\_\_  
City Clerk

Arkansas Industrial Development Commission  
Economic Set-Aside Program

The economic set-aside funds are a grant to a city or county. These set-aside funds are designed to allow communities the flexibility to deal with economic conditions through job creation or retention. Only projects that help attract a sizeable private investment; have solid commitments to create or retain a significant number of permanent jobs; and demonstrate financial feasibility will be considered for funding.

The State has \$4,000,000 reserved to fund eligible economic development projects. A maximum amount of \$500,000 is available per application.

The role of the city or county is to either:

- (1) Utilizing set-aside funds as a direct loan to an industry which is to be repaid to the city/county, is considered a revolving loan fund. These loans are usually extended with a lower rate of interest than financial institutions require and payback is over a number of years.
- (2) Community Facilities activities that are necessary and need to be completed prior to an industry/business locating in the area are also eligible for set-aside funds. Some examples may be (a) extending water/sewer lines to an industrial park; (b) building a facility to house an incoming industry; and (c) acquisition of land.

Economic Set-Aside funds must be leveraged by private funds by a current ratio of at least 2:1 and permanent non-public jobs must be created or retained.

AIDC will stipulate that the city/county use the revolving loan funds in some form of economic development, which will be outlined in a City of Conway Economic Development Re-Use Plan. This plan can be drawn up after the project is funded. Some examples of re-use projects are the same sort of projects outlined above.

MID-SOUTH CABINETS  
Financial Information

Mid-South Cabinets is requesting the City to apply for \$475,000 in Economic Set-Aside Funds, to be leveraged with their private investment, a \$1,000,000 Act 9 Bond Guarantee from AIDC.

By using the above funds to purchase land, equipment, and a new building, they will be able to add fifty (50) additional employees to their payroll. Applications for both sets of funds will be made concurrently. The City of Conway's grant funds hinge upon the approval of the Bond Guarantee from AIDC.

All purchases with the economic set-aside funds will hold a "second mortgage position" with the City. Because of the AIDC \$1,000,000 Bond Commitment, they will hold a "first mortgage position" on all items.

Interest Rate and Term is to be decided by the City before the application is made.

Most economic development and job stimulus projects in the State have used a 6% to 8% interest rate, with terms set at the industry's best advantage.

Mid-South Cabinets has requested a 6% interest rate, 15 year payback, with one year deferred payment. This request is consistent with similar projects in the State.

Mid-South Cabinets has shown tremendous growth over the last four years:

<u>Sales</u>			
<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
\$220,624	\$353,095	\$610,653	\$1,737,189
<u>Projected Sales</u>			
<u>1984</u>		<u>1985</u>	<u>1986</u>
\$3,000,000		\$4,500,000	\$6,000,000

AIDC's Industrial Financial Section will analyze both the economic set-aside funds and the bond guarantee for its financial feasibility. They and the Planning Division of AIDC will make the determination of funding.

City of Conway  
Economic Set-Aside

Mid-South Cabinets

Items Economic Set-Aside Funds Will Be Used For

Land - 10 Acres	\$140,000
Conveyor System	60,000
Dust Collector System	100,000
Panel Saw	60,000
Shaper/Sander Machine	30,000
Edge Banding Machine	35,000
Boring Machine	<u>50,000</u>
	\$475,000

These funds will be leveraged with a Bond Guarantee with the Arkansas Industrial Development Commission.

Plant Construction \$1,000,000

POSITION PAPER ON DEVELOPMENT OF A  
FmHA WATER IMPROVEMENT SOUTHWEST OF CONWAY, AR

Through inquiry by letter, phone calls and personal contact, recent developments involving the area southwest of the City of Conway has been brought to the attention of the City. This development involves the formation of a Farmers Home Administration Water Improvement District similar to the Vilonia and Mayflower Water Districts also funded by Farmers Home Administration. These inquiries indicate that water mains will extend into the area immediately west of the Conway corporate limits. Specific inquiries from landowners in this area have been concerning the effects that this system will have on receiving water and other services from the City of Conway in the future. The purpose of this statement is to inform persons in this area concerning the position of the City of Conway.

1. The Conway water system has been planned and developed to serve the area south of Cadron Ridge to the vicinity of Highway 286 west to near the Arkansas River. All land below elevation 400 msl. can be served by a distribution system only and will not require pumps and overhead storage tanks to produce required pressure flows. Fire flows to meet Class 5 insurance rates can be provided.

2. An improvement district can be formed to finance the construction of the water distribution system. This provides long term, low interest financing.

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3. To be eligible for attachment to the Conway water system, the area being served must be annexed to the City. Annexation will also make available the same right to other city services on the same basis that they are available to all citizens of Conway.

3A. The City's policy on annexation in the past has been very simple, annexation by petition of landowners has been the rule. Lands that were in the best interest of future development and growth of the City and in the best interest of the petitioners have been annexed. The policy of the City has been to develop its service delivery systems to accommodate future expansion into areas adjacent to the City.

3B. In the event of construction of an FmHA financed rural water association in this area, annexation to the City is precluded by Federal case law (Salem Water Association vs. City of Benton, Arkansas) as it affects Conway policy.

4. The City sewage collection system can be expanded to serve this area and is necessary for maximum land development.

5. Only within the City is there an enforceable land use code. Outside the City, mixed construction of trailer parks, commercial buildings, and permanent residences will adversely affect the secondary property values.

6. The City of Conway has invested in the future of its western environs by planning its service facilities to include this area. This planning and development can be of

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great benefit to the area if the City is allowed to expand. The formation of a Rural Water Association would provide one limited service and stop the development of all other services of the City of Conway into the area.

The above statement has been prepared to assist concerned landowners of this area in making hard decisions concerning the future of their property and the growth of the City of Conway.

WRECKER FRANCHISE AGREEMENT

This Agreement, made and entered into on this 30th day of April, 1984, by and between the City of Conway, Arkansas, and Jim Smith d/b/a Jim Smith Wrecker Service; WITNESSETH:

1. The term of this franchise shall be one year from May 1, 1984, through April 30, 1985. For and in consideration and subject to the conditions, agreements and provisions of the franchise, the authority, right and privilege is hereby granted to Jim Smith d/b/a Jim Smith Wrecker Service for the above stated period of time to establish, maintain, and operate a wrecker service subject to the rights and privileges specified in Chapter 4.56 of the Conway Municipal Code, over and upon the streets of the City of Conway. The Conway City Council shall have the right to revoke and terminate this franchise at any time for cause in compliance with Chapter 4.56 of the Conway Municipal Code as presently written or hereafter amended.

This franchise agreement is made subject to all provisions of the Conway Municipal Code whether found in Chapter 4.56 or elsewhere and the franchisee shall be bound by each and every provision of this Code, insofar as the same may be applicable to this franchise, as though such provision were herein expressly written and made a part hereof as if set out word or word.

2. This franchise is hereby agreed to grant the exclusive privilege of operating and maintaining a wrecker service to handle all city wrecker service calls and all calls referred by city officers in the performance of their duty.



This franchise shall apply to and inure to the parties hereto and their successors. This franchise shall not be assigned or its privileges sublet, or transferred without the prior consent of the City Council of the City of Conway, Arkansas, by resolution duly passed.

3. Franchisee agrees during the term of this franchise to maintain and replace as necessary all items and equipment whatever necessary to maintain a safe and efficient wrecker service within the City of Conway. Said franchisee shall at all times maintain the equipment required by Chapter 4.56 of the Conway Municipal Code.

4. The City Council shall have authority at all times to establish the rates to be charged by franchisee for wrecker services covered hereunder, and for that purpose, may make such investigation of the books, accounts, business, plant and property of the wrecker service as the City Council may deem necessary or appropriate in the public interest. Rates may be fixed at or changed to different amounts for different classes of service or customers as approved by the City Council. The rates to be charged under the terms of this franchise unless subsequently changed by the action of the City Council are as designated in Chapter 4.56 of the Conway Municipal Code under the Section designated as "Charges".

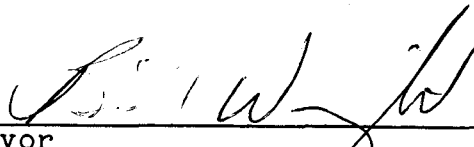
5. The franchisee and its agents, employees, or servants shall at all times during the period of this agreement comply with all laws of the State of Arkansas, of the United States of American or any of the agencies or departments of either, and all ordinances of the City of Conway in the operation of said franchise.

6. A failure to observe any of the conditions or covenants of this agreement or violation of any of the laws and regulations referred to in the previous paragraph shall be grounds for termination and forfeiture of all rights under this franchise agreement upon proper notice setting forth the causes for said termination or forfeiture.

7. The provisions of this agreement shall be accepted in writing by the franchisee, Jim Smith d/b/a Jim Smith Wrecker Service, and the City of Conway by the execution of this agreement by an authorized agent of the franchisee and by the execution of the Mayor and the City Clerk of the City of Conway, whereupon said agreement shall be deemed to be in full force and effect.

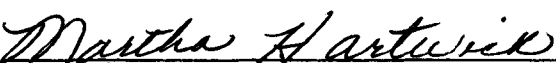
8. Any changes under this agreement whether made by agreement of the parties or unilaterally under the terms of this agreement shall be made by amendment to this agreement or to the ordinances referred to herein upon proper execution by the necessary parties hereto.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals on this 30th day of April, 1984.

  
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Mayor

  
\_\_\_\_\_  
Franchisee

ATTEST:

  
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City Clerk