

**OFFICE OF THE CITY MANAGER  
LITTLE ROCK, ARKANSAS**

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**BOARD OF DIRECTORS COMMUNICATION  
APRIL 16, 2024 AGENDA**

<p><b>Subject:</b></p> <p>Authorizing the issuance of a Promissory Note to provide Short-Term Financing under Amendment No. 78 to the Arkansas Constitution for the Acquisition, Construction and Installation of a Solar Photovoltaic Array.</p> <p><b>Submitted By:</b></p> <p>Executive Administration</p>	<p><b>Action Required:</b></p> <p style="text-align: center;">Ordinance √ <b>Resolution</b></p>	<p><b>Approved By:</b></p> <p style="text-align: center;">Emily Cox Acting City Manager</p>
<p><b>SYNOPSIS</b></p> <p><b>FISCAL IMPACT</b></p> <p><b>RECOMMENDATION</b></p> <p><b>BACKGROUND</b></p>	<p>To authorize the City Manager to issue a short term note in an amount not to exceed \$12,000,000 for the acquisition, construction, and installation of a solar photovoltaic array.</p> <p>The amount of the short-term note is not to exceed \$12,000,000. The first year shall be interest-only, to be paid on the first anniversary of the Note. Thereafter, the note shall be repaid in four (4) substantially equal payments of principal and interest. The City anticipates approximately \$4.1 Million in repayment from the United States Treasury in Investment Tax Credits (ITC). ITC payments are anticipated to be received approximately one (1)-year from the commissioning of the solar photovoltaic array.</p> <p>Approval of the resolution.</p> <p>The City of Little Rock is committed to using 100% clean energy for City operations by the year 2030. The City can achieve this goal, in part, by using solar energy, and it is anticipated that this project will save money in avoided electricity costs while providing approximately 70% of the electricity needs for City operations.</p>	

**BACKGROUND  
CONTINUED**

The City will benefit from being grandfathered into 1:1 net metering if the interconnection agreement is complete and paid for by September 30, 2024. By meeting this deadline, the City will be able to sell electricity to the grid at the same price that electricity is bought from the grid (1:1), effectively cancelling some of the City's electricity costs.

This ordinance will allow for the issuance of a Short-Term Note to finance the City-Owned solar photovoltaic array. The solar photovoltaic array will utilize City-owned property, in an amount not to exceed fifty (50) acres, at between one (1) and four (4) locations.