

1 **ORDINANCE NO. _____**

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3 **AN ORDINANCE AUTHORIZING THE ISSUANCE OF A PROMISSORY**
4 **NOTE TO PROVIDE SHORT-TERM FINANCING UNDER AMENDMENT**
5 **NO. 78 TO THE ARKANSAS CONSTITUTION FOR THE ACQUISITION,**
6 **CONSTRUCTION AND INSTALLATION OF A SOLAR PHOTOVOLTAIC**
7 **ARRAY; PRESCRIBING OTHER MATTERS PERTAINING THERETO;**
8 **TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.**

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10 **WHEREAS**, the City of Little Rock, Arkansas (the "City"), is authorized and empowered under the
11 provisions of Amendment No. 78 to the Arkansas Constitution ("Amendment No. 78") and Act No. 1808
12 of 2001 (codified as Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated) (the "Act"), to issue
13 notes and to expend the proceeds thereof to finance all or a portion of the cost of acquiring, constructing
14 and installing real property and tangible personal property having an expected useful life of more than one
15 (1)-year; and,

16 **WHEREAS**, the City proposes to finance the costs of the acquisition, construction and installation of
17 a Solar Photovoltaic Array (the "Property to be Financed"); and,

18 **WHEREAS**, it is proposed that the City will issue its Promissory Note in the maximum principal
19 amount of Twelve Million Dollars (\$12,000,000.00) (the "Note") under Amendment No. 78 and the Act
20 for the purpose of financing the costs of the Property to be Financed; and,

21 **WHEREAS**, the City intends to arrange for a loan (the "Loan") from a banking institution (the
22 "Lender") and to issue the Note to the Lender in consideration for the Loan.

23 **NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY**
24 **OF LITTLE ROCK, ARKANSAS:**

25 **Section 1.** The Board of Directors hereby finds that the Property to be Financed is tangible personal
26 property and will have a useful life of more than one (1)-year. The Board of Directors further finds that the
27 maximum principal amount of the Note and the City's outstanding indebtedness issued or incurred under
28 Amendment No. 78, does not exceed 5% of the assessed value of taxable property located within the City
29 as determined by the last tax assessment.

30 **Section 2.** Under the authority of the Constitution and laws of the State of Arkansas (the "State"),
31 including particularly Amendment No. 78 and the Act, the Note is hereby authorized and ordered issued in
32 the maximum principal amount of Twelve Million Dollars (\$12,000,000.00) for the purpose of financing
33 the costs of the Property to be Financed and paying expenses of issuing the Note. The Note shall be dated
34 the date of issuance and shall bear interest on the outstanding principal amount at a fixed rate not to exceed

1 7% per annum. Interest only shall be payable on the Note during the first year, which interest shall be paid
2 on the first anniversary date of the Note. Thereafter, the Note shall be repaid in four substantially equal
3 annual amortized installments of principal and interest, commencing on the second anniversary date of the
4 Note and on the same day of each year thereafter, with the final installment due five (5) years from the date
5 of the Note. The Note shall be issued in fully registered form. The Note shall be executed by the Mayor
6 and the City Clerk and the seal of the City shall be affixed to the Note. The Note may be issued as a
7 draw-down Note.

8 **Section 3.** The Note shall be issued to the Lender in consideration for the Loan. The Lender shall be
9 selected by the Mayor or the City Manager based upon the commitment or proposal for the Loan that the
10 Mayor or the City Manager determines to have the lowest cost to the City and the best terms. The Treasury
11 Manager is hereby authorized and directed to solicit proposals or commitments for the Loan from at least
12 three (3) banking institutions having offices in the City, in such manner as shall be approved by the Mayor
13 or the City Manager. The Mayor and the City Manager shall have the right to reject any and all proposals
14 and commitments.

15 **Section 4.** As provided in Amendment No. 78, the annual debt service payments on the Note in each
16 Fiscal Year shall be charged against and paid from the general revenues of the City for such Fiscal Year.
17 For the purpose of making the Annual Debt Service payments, there is hereby, and shall be, appropriated
18 to pay the Note, an amount of general revenues of the City sufficient for such purposes. The Treasury
19 Manager is hereby authorized and directed to withdraw from the general fund of the City the amounts and
20 at the times necessary to make the annual debt service payments on the Note.

21 **Section 5.** The City shall provide such financial information to the Lender as the Lender may
22 reasonably request.

23 **Section 6.** The Mayor, City Manager, Treasury Manager, City Attorney and City Clerk are hereby
24 authorized and directed, for and on behalf of the City, to perform all acts of whatever nature necessary to
25 effect and carry out the authority conferred by this ordinance and to execute all papers, documents,
26 certificates and other instruments that may be required for the carrying out of such authority or to evidence
27 the exercise thereof.

28 **Section 7. Severability.** In the event any title, section, paragraph, item, sentence, clause, phrase, or
29 word of this Ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or
30 adjudication shall not affect the remaining portions of this ordinance, which shall remain in full force and
31 effect as if the portion so declared or adjudged invalid or unconstitutional were not originally part of this
32 ordinance.

33 **Section 8. Repealer.** All laws, ordinances, resolutions, or parts of the same which are inconsistent
34 with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

1 **Section 9. *Emergency Clause.*** The Board of Directors hereby determines that the acquisition of the
2 Property to be Financed is essential to the public health, safety and welfare of the citizens of the City and
3 must be financed as quickly as possible; an emergency is, therefore, declared to exist and this ordinance
4 shall be in full force and effect from and after the date of its execution.

5 **PASSED: April 16, 2024**

6 **ATTEST:**

APPROVED:

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9 _____
Susan Langley, City Clerk

Frank Scott, Jr., Mayor

10 **APPROVED AS TO LEGAL FORM:**

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13 Thomas M. Carpenter, City Attorney

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