ORDINANCE NO. __________

AN ORDINANCE TO AUTHORIZE THE ISSUANCE OF A PROMISSORY NOTE TO PROVIDE SHORT-TERM FINANCING UNDER AMENDMENT NO. 78 TO THE ARKANSAS CONSTITUTION FOR THE ACQUISITION OF REAL PROPERTY; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

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

WHEREAS, employees, who work to advertise, promote, market and sell the City to visitors and conventions, as well as support the maintenance, operation, security, booking, and hosting of events in the City’s convention centers, need to work from a central facility located within the Markham Street corridor with easy access to the various City-owned properties that are under the care or control of the Little Rock Advertising & Promotion (“the Commission”); and,

WHEREAS, such a facility, located at 101 South Spring Street in Little Rock (the “Property to be Financed” or “the Facility”), is currently available for purchase that the Commission considers suitable to meet the above-describe needs; and,

WHEREAS, the Commission’s operation of the Facility will support or otherwise pertain to the advertising and promotion of the City and the City’s convention centers; and,

WHEREAS, the purchase of the Facility is an administrative cost that the Commission deemed to be in its best interest in order to conduct its business; and,

WHEREAS, the Commission will at all times operate the Facility in accordance with state law.

WHEREAS, the City proposes to finance the acquisition of the Facility for public purposes including use by the Commission; and,

WHEREAS, it is proposed that the City issue its promissory note in the principal amount of Two Million, Eight Hundred Fifty Thousand Dollars ($2,850,000.00) (the “Note”) under Amendment No. 78 and the Act for the purpose of financing all or a portion of the costs of the Property to be Financed; and,

WHEREAS, the City intends to arrange for a loan (the “Loan”) from a banking institution (the “Lender”) and to issue the Note to the Lender in consideration for the Loan;
NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF LITTLE ROCK, ARKANSAS:

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

Section 2. Under the authority of the Constitution and laws of the State of Arkansas (the “State”), including particularly Amendment No. 78 and the Act, the Note is hereby authorized and ordered issued in the principal amount of Two Million, Eight Hundred Fifty Thousand Dollars ($2,850,000.00) for the purpose of financing all or a portion of the costs of acquiring the Property to be Financed and paying expenses of issuing the Note. The Note shall be dated the date of issuance and shall bear interest on the outstanding principal amount at a fixed rate not to exceed 5% per annum. The Note shall be repaid in five (5) substantially equal annual amortized installments of principal and interest, commencing one (1)-year from the date of the Note and on the same day of each year thereafter, with the final installment due five (5) years from the date of the Note. The Note shall be issued in fully registered form. The Note shall be executed by the Mayor and the City Clerk and the seal of the City shall be affixed to the Note.

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

Section 4. As provided in Amendment No. 78, the annual debt service payments on the Note in each fiscal year shall be charged against and paid from the general revenues of the City for such fiscal year. For the purpose of making the annual debt service payments, there is hereby, and shall be, appropriated to pay the Note, an amount of general revenues of the City sufficient for such purposes. The City Treasurer is hereby authorized and directed to withdraw from the general fund of the City the amounts and at the times necessary to make the annual debt service payments on the Note.

Section 5. The City shall provide such financial information to the Lender as the Lender may reasonably request, including any operating agreement related to the Facility.

Section 6. The Mayor, City Manager, City Treasurer, City Attorney and City Clerk are hereby authorized and directed, for and on behalf of the City, to perform all acts of whatever nature necessary to effect and carry out the authority conferred by this ordinance and to execute all papers, documents,
Section 7. Pursuant to Ark. Code Ann. § 26-75-606(a)(3)(B), if the Commission is ever dissolved, the City shall assume the authority granted to the Commission with respect to the Facility.

Section 8. The Mayor and City Manager each have authority to execute all documents necessary to effectuate the action contemplated herein.

Section 9. Severability. In the event any title, section, paragraph, item, sentence, clause, phrase or word of this Ordinance is declared or adjudged to be invalid or unconstitutional, such declaration or adjudication shall not affect the remaining portions of this ordinance which shall remain in full force and effect as if the portion so declared or adjudged invalid or unconstitutional were not originally part of this Ordinance.

Section 10. Repealer. All laws, ordinances, resolutions, or parts of the same which are inconsistent with the provisions of this ordinance are hereby repealed to the extent of such inconsistency.

Section 11. Emergency Clause. The instigation and completion of the projects hereinabove set forth are essential to the public health, safety and welfare of the citizens of the City and must be financed as quickly as possible because there is a limited time to close on the purchase of the property in question; an emergency is, therefore, declared to exist and this ordinance shall be in full force and effect from and after the date of its passage.

PASSED: September 6, 2016

ATTEST: APPROVED:

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Susan Langley, City Clerk        Mark Stodola, Mayor

APPROVED AS TO LEGAL FORM:

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Thomas M. Carpenter, City Attorney

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