

1 **ORDINANCE NO. \_\_\_\_\_**

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3 **AN ORDINANCE TO AUTHORIZE 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 **OF REAL PROPERTY; TO DECLARE AN EMERGENCY; AND FOR**  
7 **OTHER PURPOSES.**

8  
9 **WHEREAS**, the City of Little Rock, Arkansas (the ‘‘City’’) is authorized and empowered under the  
10 provisions of Amendment No. 78 to the Arkansas Constitution (‘‘Amendment No. 78’’) and Act No. 1808  
11 of 2001 (codified as Title 14, Chapter 78 of the Arkansas Code of 1987 Annotated) (the ‘‘Act’’), to issue  
12 notes and to expend the proceeds thereof to finance all or a portion of the cost of acquiring, constructing  
13 and installing real property or tangible personal property having an expected useful life of more than one  
14 (1)-year; and,

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

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

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

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

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

28 **WHEREAS**, the City proposes to finance the acquisition of the Facility for public purposed including  
29 use by the Commission; and,

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

33 **WHEREAS**, the City intends to arrange for a loan (the ‘‘Loan’’) from a banking institution (the  
34 ‘‘Lender’’) and to issue the Note to the Lender in consideration for the Loan;

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

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

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

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

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

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

32        **Section 6.** The Mayor, City Manager, City Treasurer, City Attorney and City Clerk are hereby  
33 authorized and directed, for and on behalf of the City, to perform all acts of whatever nature necessary to  
34 effect and carry out the authority conferred by this ordinance and to execute all papers, documents,

1 certificates and other instruments that may be required for the carrying out of such authority or to evidence  
2 the exercise thereof.

3 **Section 7.** Pursuant to Ark. Code Ann. § 26-75-606(a)(3)(B), if the Commission is ever dissolved, the  
4 City shall assume the authority granted to the Commission with respect to the Facility.

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

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

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

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

19 **PASSED: September 6, 2016**

20 **ATTEST:**

**APPROVED:**

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22 \_\_\_\_\_  
23 **Susan Langley, City Clerk**

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22 \_\_\_\_\_  
23 **Mark Stodola, Mayor**

24 **APPROVED AS TO LEGAL FORM:**

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26 \_\_\_\_\_  
27 **Thomas M. Carpenter, City Attorney**

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