

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

**BOARD OF DIRECTORS COMMUNICATION
SEPTEMBER 29, 2026, AGENDA**

Subject:	Action Required:	Approved By:
An Ordinance to authorize the Issuance of Not to Exceed \$120,000,000 City of Little Rock, Arkansas Taxable Industrial Development Revenue Bonds (Faymonville Project), Series 2026, and Approving Related Financing Documents Submitted by: Little Rock Port Authority	√Ordinance Resolution	 Delphone Hubbard, City Manager
SYNOPSIS	An Ordinance to authorize the City of Little Rock, Arkansas, to issue and sell its Taxable Industrial Development Revenue Bonds (Faymonville Project), Series 2026, in an aggregate principal amount not to exceed One Hundred Twenty Million Dollars (\$120,000,000), pursuant to Title 14, Chapter 164, Subchapter 2 of the Arkansas Code; authorize the acquisition, construction and equipping of industrial facilities in the Little Rock Port Industrial Park for use in the manufacture of trailers and other vehicles for heavy and special transport; authorize the execution and delivery of a Trust Indenture, Lease Agreement and Agreement for Payments in Lieu of Taxes; waive competitive bidding; and authorize the Mayor and City Clerk to execute all documents and take all actions necessary to effectuate the financing.	
FISCAL IMPACT	None.	
RECOMMENDATION	Pass the Ordinance.	
BACKGROUND	The City is authorized under Title 14, Chapter 164, Subchapter 2 of the Arkansas Code of 1987 Annotated to issue industrial development revenue bonds and use the proceeds to finance buildings and facilities that can be used to secure or develop industry within or near the City.	

**BACKGROUND
CONTINUED**

Surrounding properties contain R-4 zoning and uses in all. The Board previously adopted Resolution No. 16,481 expressing the City's intent to issue industrial development revenue bonds to finance an industrial project for Faymonville Distribution US, Inc. The parent company has designated Faymonville Real Estate, LLC as the affiliate that will lease the Project from the City.

The proposed Project consists of the acquisition, construction and equipping of industrial facilities within the Little Rock Port Industrial Park, together with the acquisition and installation of machinery, equipment and other personal property. The facilities are expected to be used for the manufacture of trailers and other vehicles designed for heavy and special transport. The Project will initially be subleased to and operated by Faymonville Manufacturing, LLC, an affiliate of the Company and Parent.

The proposed financing authorizes the issuance of the City's Taxable Industrial Development Revenue Bonds (Faymonville Project), Series 2026, in an aggregate principal amount not to exceed \$120,000,000, or such lesser amount as may be requested by the Company. The Bonds will bear interest at a rate of five percent (5%) per annum and will mature no later than fifteen (15) years after their dated date, subject to the terms and conditions established in the Trust Indenture.

The Bonds will be sold to the Company or its designee at a purchase price equal to 100% of par. The City will enter into a Trust Indenture with First Security Bank, as Trustee, to establish the terms and security for the Bonds. The City will also enter into a Lease Agreement with Faymonville Real Estate, LLC pursuant to which the City will own the Project and lease the Project to the Company. The Company will enter into an Agreement for Payments in Lieu of Taxes with the City in connection with the Project.

The proposed Ordinance approves the Trust Indenture, Lease Agreement and PILOT Agreement in substantially the forms presented to the Board and authorizes the Mayor and City Clerk to execute the documents and any additional documents necessary to complete the financing.

BACKGROUND
CONTINUED

A public hearing concerning the issuance of the Bonds was held before the Board in accordance with applicable Arkansas law. The Ordinance further provides for the filing of copies of the financing documents in the Office of the City Clerk for public inspection.

The Project is anticipated to provide substantial employment and payrolls and is intended to promote economic development, secure and develop industry, and strengthen the industrial base of the City and the surrounding area.

Because the City will have no responsibility for payment of the costs and expenses associated with the Project or the Bonds, all of which will be payable by the Company, the Ordinance determines that the financing constitutes an exceptional situation and waives competitive bidding pursuant to applicable Arkansas law.