

ORDINANCE NO. _____

AN ORDINANCE SUPPLEMENTING AND AMENDING ORDINANCE NO. 8869; CONSENTING TO PARITY INDEBTEDNESS; PRESCRIBING OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, on December 28, 2006, the North Little Rock City Council (“**City Council**”) adopted Ordinance No. 7896 (the “**District Ordinance**”) creating the Redevelopment District of the City of North Little Rock, Arkansas #2 (“**Lower Baring Cross Redevelopment District**”) under the authority of Amendment No. 78 to the Arkansas Constitution (“**Amendment No. 78**”) and Arkansas Code Annotated Sections 14-168-301 *et seq.*, as from time to time amended (the “**Act**,” and collectively with Amendment 78, the “**Redevelopment Act**”); and

WHEREAS, the City of North Little Rock, Arkansas (the “**City**”) is authorized and empowered under the provisions of the Redevelopment Act to issue bonds, notes, or other evidence of indebtedness, in one or more series, and to pledge the Tax Increment (the “**Tax Increment**”) described in Ordinance No. 8869 adopted by the City council on December 27, 2016 (the “**Bond Ordinance**”) and other redevelopment revenues for repayment of the same; and

WHEREAS, under the authority of the Redevelopment Act and Arkansas Code Annotated Sections 14-78-101 *et seq.*, as from time to time amended, on December 27, 2016, the City Council adopted the Bond Ordinance authorizing the issuance of the City’s \$1,105,000 Tax Increment Bond, Series 2017 (the “**Series 2017 Bond**”) by the City’s electric utility which is operated as a separate component unit of the City (the “**Purchaser**” or “**Bondholder**”) at a price of par; and

WHEREAS, the Tax Increment has now further increased to an amount sufficient to support other obligations of the City related to the development of the Lower Baring Cross Redevelopment District; and

WHEREAS, Section 7 of the Bond Ordinance prohibits the creation of any indebtedness, bonds, notes, warrants, certificates or other obligations or evidences of indebtedness payable in any manner from the Tax Increment or the Special Fund (as defined in the Bond Ordinance) that is superior to, on parity with, or subordinate to the lien and pledge of the Tax Increment or the Special Fund for the benefit of the Series 2017 Bond without the prior written consent of the Bondholder, and Section 10 of the Bond Ordinance provides for amendment of the Bond Ordinance to allow for parity indebtedness upon the consent of the Bondholder; and

WHEREAS, the Bondholder desires to consent to the issuance of additional indebtedness payable from the Tax Increment and the Special Fund on a parity with the lien and pledge of the Tax Increment and the Special Fund to the Series 2017 Bond; and

WHEREAS, the City now desires to supplement and amend the Bond Ordinance to allow for the issuance of parity indebtedness payable from and secured by the Tax Increment and Special Fund.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTH LITTLE ROCK, ARKANSAS:

Section 1. In accordance with Section 10 of the Bond Ordinance, Section 7 of the Bond Ordinance is hereby supplemented, amended, and restated in its entirety as follows:

From and after the issuance of the Series 2017 Bond and for so long as the Series 2017 Bond is Outstanding, the City shall not create or permit the creation of any indebtedness, or issue any bonds, notes, warrants, certificates or other obligations or evidences of indebtedness payable in any manner from the Tax Increment or the Special Fund which is superior to, on parity with or subordinate to the lien and pledge of the Tax Increment or the Special Fund for the benefit of the Series 2017 Bond without the prior written consent of the Bondholder; *provided*, that the City in its capacity as the Bondholder, being a municipal electric utility that is operated as a separate component unit of the City, hereby consents to and approves the issuance of and the adoption by the City of a further ordinance authorizing a Tax Increment Bond, Series 2019 (a “**Series 2019 Bond**”) in such amount as may be approved by the City to be secured by and payable from the Tax Increment and Special fund on a parity of security with the Series 2017 Bond, on such terms and conditions as shall be set forth in an ordinance of the City to be adopted for such purpose.

Section 2. The provisions of this Ordinance are hereby declared to be severable. In the event that any section, paragraph, subdivision, clause, phrase or other provision or portion of this Ordinance shall be adjudged illegal, invalid, unenforceable or unconstitutional, the same shall not affect the validity of this Ordinance as a whole, or any part or provision thereof, other than the part so decided to be illegal, invalid, unenforceable or unconstitutional, and the remaining provisions of this Ordinance shall be construed as if such illegal, invalid, unenforceable or unconstitutional provision or provisions had never been contained herein.

Section 3. All ordinances and resolutions or parts thereof, in conflict herewith are hereby repealed to the extent of such conflict.

Section 4. Following adoption, this Ordinance shall be published in a newspaper of general circulation in the City, at least one time, pursuant to Title 14, Chapter 55, subchapter 2 of the Arkansas Code of 1987 Annotated.

Section 5. It is hereby ascertained and declared that the issuance of the Series 2019 Bond must be accomplished and the project and improvements to be set forth in an ordinance of the City to be adopted for such purpose must be constructed, completed and/or financed or refinanced as soon as possible to accommodate the needs of the City, its inhabitants and persons residing in the area to be served thereby, without which the life, health, safety and welfare thereof are jeopardized, and that the action authorized by this Ordinance is necessary for the

accomplishment thereof. It is, therefore, declared that an emergency exists and this Ordinance being necessary for the immediate preservation of the public peace, health and safety shall take effect and be in force from and after its passage.

PASSED:

APPROVED:

Date

Mayor Joe A. Smith

SPONSOR:

ATTEST:



Mayor Joe A. Smith *by AF*

Diane Whitbey, City Clerk

APPROVED AS TO FORM:



Amy Fields, City Attorney

FILED	11:00	A.M.	_____	P.M.
By	A. Fields			
DATE	5-7-19			
Diane Whitbey, City Clerk and Collector North Little Rock, Arkansas				
RECEIVED BY	S. Usery			

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