

ORDINANCE NO. \_\_\_\_

**AN ORDINANCE AUTHORIZING THE ISSUANCE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS UNDER THE MUNICIPALITIES AND COUNTIES INDUSTRIAL DEVELOPMENT REVENUE BOND LAW FOR THE PURPOSE OF SECURING AND DEVELOPING INDUSTRY; TO AUTHORIZE THE SALE OF THE BONDS AND THE APPROVAL OF A BOND PURCHASE AGREEMENT AND PAYMENT IN LIEU OF TAXES AGREEMENTS IN CONNECTION THEREWITH; TO AUTHORIZE THE EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE BONDS; AUTHORIZING AND PRESCRIBING CERTAIN MATTERS PERTAINING TO THE PROJECT, THE ACQUISITION, CONSTRUCTION, AND EQUIPPING THEREOF, AND THE FINANCING THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF LEASE AGREEMENTS RELATING TO THE PROJECT; AND FOR OTHER PURPOSES.**

WHEREAS, the City of North Little Rock, Arkansas (the “City”) is authorized under the provisions of Amendment 65 to the Arkansas Constitution and the Municipalities and Counties Industrial Development Revenue Bond Law, Ark. Code Ann. §§ 14-164-201 *et seq.* and Ark. Code Ann. §§ 14-164-701 *et seq.*, each as amended from time to time (collectively, the “Act”), to own, acquire, construct, equip, and lease facilities to secure and develop industry and to assist in the financing thereof by the issuance of bonds payable from the revenues derived from such facilities; and

WHEREAS, Ace Glass and Plastic Recycling, LLC or its affiliate (“Ace Glass”) and East Fifth Development, LLC or its affiliate (“East Fifth”, and collectively with Ace Glass, the “Companies”) have evidenced their interest in acquiring, constructing, and equipping an industrial facility in the City if permanent financing can be provided through the issuance of bonds under the authority of the Act; and

WHEREAS, the City has agreed to cooperate with the Companies in the acquisition, construction, and equipping of an industrial facility in the City and to finance the acquisition of leasehold rights and/or real estate, construction of buildings, infrastructure and improvements, and acquisition and installation of equipment for the warehousing, processing and recycling of glass and plastic located on an approximately 17 acre site located at 100 Campbell Road, North Little Rock, Arkansas (the “Project”) related to the operations of Ace Glass; and

WHEREAS, to provide permanent financing of the Project costs, necessary costs and expenditures incidental thereto, and the cost of the issuance of bonds, the City will issue multiple series of its taxable industrial development revenue bonds under the provisions of the Act designated “City of North Little Rock, Arkansas Taxable Industrial Development Revenue Bonds (Ace Glass Project), Series 20\_\_” (the “Ace Glass Bonds”) and “City of North Little Rock, Arkansas Taxable Industrial Development Revenue Bonds (East Fifth Project), Series 20\_\_,” in

the aggregate principal amount of not to exceed \$60,000,000.00 (the “East Fifth Bonds,” and collectively with the Ace Glass Bonds, the “Bonds”); and

WHEREAS, the Bonds will be issued pursuant to the provisions of a Trust Indenture (the “Trust Indenture”) to be entered into between the City and a trustee to be selected upon the mutual agreement of the City and the Companies (the “Trustee”); and

WHEREAS, the City and Ace Glass intend to enter into a Lease Agreement (the “Ace Glass Lease Agreement”) relating to the personal property, equipment, leasehold improvements, infrastructure, and fixtures constituting a portion of the Project, which contemplates that a portion of the Project will be leased to Ace Glass, with an option to purchase for a nominal price, and the rental payments therefor together with other moneys available shall be sufficient to pay debt service on the Ace Glass Bonds and all related costs; and

WHEREAS, the City and East Fifth intend to enter into a Lease Agreement (the “East Fifth Lease Agreement”) relating to the real property, fixtures, infrastructure, personal property, equipment and improvements constituting a portion of the Project, which contemplates that a portion of the Project will be leased to East Fifth, with an option to purchase for a nominal price, and the rental payments therefor together with other moneys available shall be sufficient to pay debt service on the East Fifth Bonds and all related costs; and

WHEREAS, to induce the City to proceed with the issuance of the Ace Glass Bonds for the purpose indicated, which will inure to the benefit of Ace Glass, the City and Ace Glass will enter into a Payment in Lieu of Taxes Agreement (“Ace Glass PILOT Agreement”) in substantially the form presented at this meeting which provides 65% ad valorem tax abatement for a period of 30 years; and

WHEREAS, to induce the City to proceed with the issuance of the East Fifth Bonds for the purpose indicated, which will inure to the benefit of East Fifth, the City and East Fifth will enter into a Payment in Lieu of Taxes Agreement (“East Fifth PILOT Agreement”) in substantially the form presented at this meeting which provides 65% ad valorem tax abatement for a period of 30 years; and

WHEREAS, the City and the Companies caused a form of a notice of public hearing to be published on July 9, 2023 in the *Arkansas Democrat-Gazette*, and the City hereby ratifies the publication and form of notice published; and

WHEREAS, an open public hearing on the question of the issuance of the Bonds was held before the City Council on July 24, 2023 and having heard all persons desiring to be heard in the matter, the City has taken under advisement the comments and statements of such persons, and declared the public hearing duly closed; and

WHEREAS, the City proposes to sell the East Fifth Bonds and the Ace Glass Bonds to affiliates of the respective Companies (collectively, the “Purchasers”) pursuant to a Bond Purchase Agreement by and between the City and the Purchasers; and

WHEREAS, Ace Glass and East Fifth, respectively, may obtain independent loans from one or more lenders secured by liens on, or security interests in, title to all or part of the Project granted pursuant to various agreements, instruments and documents; and

WHEREAS, the City acknowledges and consents to all liens and encumbrances on, security interests in and rights to, the title to the Project granted by Ace Glass or East Fifth, respectively, and acknowledges that Ace Glass's and East Fifth's respective interests in the Project may be transferred to the City subject to such liens, encumbrances and security interests, if any, and such acknowledgement and consent may be evidenced through the execution of a Recognition of Prior Interests, Nondisturbance and Attornment Agreement between the City, Ace Glass, and the lenders of Ace Glass (or such lenders' agents) benefitting from such lien, encumbrance or security interest (the "Ace Glass RNA Agreement") and a Recognition of Prior Interests, Nondisturbance and Attornment Agreement between the City, East Fifth, and the lenders of East Fifth (or such lenders' agents) benefitting from such lien, encumbrance or security interest (the "East Fifth RNA Agreement"); and

WHEREAS, copies of the herein described Bond Purchase Agreement, Trust Indenture, Ace Glass Lease Agreement, East Fifth Lease Agreement, Ace Glass RNA Agreement, East Fifth RNA Agreement, Ace Glass PILOT Agreement, and East Fifth PILOT Agreement have been presented to and are before this meeting and a copy of each are on file with the City Clerk and available for inspection by any interested person; and

WHEREAS, the City believes the completion of the Project may be useful in providing additional employment opportunities and will provide other benefits to and be in the best interest of the City and its residents.

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

SECTION 1: That there be, and there is hereby, authorized and directed the following:

- (a) The Bonds shall be issued in one or more series in an aggregate principal amount of not to exceed \$60,000,000.00, and the Bonds shall be sold to the Purchasers for a price of par plus the costs of issuance upon the terms and conditions set forth in the Bond Purchase Agreement.
- (b) The execution and delivery of the Ace Glass PILOT Agreement and the East Fifth PILOT Agreement by the Mayor and City Clerk on behalf of the City, in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the documents, their execution to constitute conclusive evidence of such approval, is hereby authorized and directed. Executed copies of the Ace Glass PILOT Agreement and the East Fifth PILOT Agreement shall be filed in the City Clerk's office.
- (c) The acquisition, construction, and equipping of the Project, and, in connection therewith, to the extent convenient or necessary, the execution of any necessary

architectural, engineering, or construction contracts or the acceptance of an assignment of any such contracts previously executed by the Companies for the construction and equipping of the Project on behalf of the City is hereby authorized and directed.

SECTION 2: That the issuance of the Bonds in the total principal amount of not to exceed \$60,000,000.00 is hereby authorized. The Bonds shall be issued in the forms and denominations, shall be dated, shall be numbered, shall mature, shall bear interest (at a rate or rates) and shall be subject to redemption prior to maturity, all upon the terms and conditions to be set forth in the Trust Indenture.

To further prescribe the terms and conditions upon which the Bonds are to be executed, authenticated, issued, accepted, held and secured, the Mayor is hereby authorized and directed (when requested to do so by the Companies) to execute and acknowledge the Trust Indenture, and the City Clerk is hereby authorized and directed to execute and acknowledge the Trust Indenture and to affix the seal of the City thereto, and the Mayor and City Clerk are hereby authorized and directed to cause the Trust Indenture to be accepted, executed and acknowledged by the Trustee. The Trust Indenture is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Trustee and the Company in order to complete the Trust Indenture in substantially the form submitted to this meeting with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

SECTION 3: That there be, and there is hereby, authorized and directed the execution and delivery of the Ace Glass Lease Agreement and the East Fifth Lease Agreement, and the Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the Ace Glass Lease Agreement and the East Fifth Lease Agreement for and on behalf of the City. The Ace Glass Lease Agreement and the East Fifth Lease Agreement are hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with Ace Glass and East Fifth, respectively, in order to complete the Ace Glass Lease Agreement and the East Fifth Lease Agreement in substantially the forms submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

SECTION 4: That there be, and there is hereby, authorized and directed the execution and delivery of the Bond Purchase Agreement, and the Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the Bond Purchase Agreement for and on behalf of the City. The Bond Purchase Agreement is hereby approved in substantially the form submitted to this meeting, and the Mayor is hereby authorized to confer with the Purchasers in order to complete the Bond Purchase Agreement in substantially the form submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

SECTION 5: That there be, and there is hereby, authorized and directed the execution and delivery of the Ace Glass RNA Agreement and the East Fifth RNA Agreement if either or both Companies determine that such agreements are required by its lenders. The Mayor and City Clerk are hereby authorized to execute, acknowledge, and deliver the Ace Glass RNA Agreement and

the East Fifth RNA Agreement for and on behalf of the City. The Ace Glass RNA Agreement and the East Fifth RNA Agreement are hereby approved in substantially the forms submitted to this meeting, and the Mayor is hereby authorized to confer with Ace Glass, East Fifth and lenders of Ace Glass and East Fifth (or such lenders' agents) in order to complete the Ace Glass RNA Agreement and the East Fifth RNA Agreement in substantially the forms submitted to this meeting, with such changes as shall be approved by such persons executing the document, their execution to constitute conclusive evidence of such approval.

SECTION 6: That the Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect (i) the execution of the Ace Glass Lease Agreement, (ii) the performance of the City's obligations under the Ace Glass Lease Agreement, (iii) the execution of the East Fifth Lease Agreement, (iv) the performance of the City's obligations under the East Fifth Lease Agreement, (v) the execution and delivery of the Trust Indenture, (vi) the performance of all obligations of the City under and pursuant to the Trust Indenture, (vii) the execution and delivery of the Bonds, (viii) the execution and delivery of the Ace Glass PILOT Agreement, (ix) the performance of the City's obligations under the Ace Glass PILOT Agreement, (x) the execution and delivery of the East Fifth PILOT Agreement, (xi) the performance of the City's obligations under the East Fifth PILOT Agreement, (xii) the execution and delivery of the Bond Purchase Agreement, (xiii) the performance of the City's obligations under the Bond Purchase Agreement, (xiv) the execution and delivery of the Ace Glass RNA Agreement, (xv) the performance of the City's obligations under the Ace Glass RNA Agreement, (xvi) the execution and delivery of the East Fifth RNA Agreement, (xvii) the performance of the City's obligations under the East Fifth RNA Agreement, and (xviii) the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and the City Clerk are further authorized and directed, for and on behalf of the City, in connection with the issuance of the Bonds and in connection with on-going rights and obligations that arise after issuance and prior to maturity of the Bonds, to execute all papers, documents, certificates, and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof, including, but not limited to, the execution of one or more Home Office Payment Agreements, Memorandums of Lease, Delivery Instructions and/or other closing certificates.

SECTION 7: That the Project involves the acquisition, constructing, and equipping of a complex industrial project, requiring highly specialized work and specialized types of machinery and equipment. In compliance with Ark. Code. Ann. § 14-164-204, it has been and is hereby determined by the City Council that competitive bidding be, and the same is hereby, waived as to this particular industrial project. This action is taken by the City Council pursuant to applicable laws of the State of Arkansas, including particularly the Act.

SECTION 8: That all actions heretofore taken by the City, the Companies, and the Purchasers in connection with the issuance, offer and sale of the Bonds and the development and completion of the Project are hereby in all respects ratified and approved.

SECTION 9: That 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 was not originally a part of this ordinance.

SECTION 10: That all ordinances or resolutions of the City in conflict herewith are hereby repealed to the extent of such conflict.

PASSED:

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SPONSOR:

TERRY C. Hartwick  
Mayor Terry C. Hartwick *by AT*

APPROVED AS TO FORM:

Amy Fields  
Amy Fields, City Attorney

FORMATTED BY THE OFFICE OF THE CITY ATTORNEY/kt

APPROVED:

\_\_\_\_\_  
Mayor Terry C. Hartwick

ATTEST:

\_\_\_\_\_  
Diane Whitbey, City Clerk

FILED 10:50 A.M. \_\_\_ P.M.

By A. Fields

DATE 7-18-23

**Diane Whitbey, City Clerk and Collector  
North Little Rock, Arkansas**

RECEIVED BY S. Vossery